

1 BY AUTHORITY

2 ORDINANCE NO. _____
3 SERIES OF 2018

COUNCIL BILL NO. 1420
COMMITTEE OF REFERENCE:

4
5 A BILL
6

7 For an ordinance compiling and codifying the fund plan, tax imposition, and tax
8 remittance portions of the four sales and use tax increases approved by the people of
9 the City and County of Denver at the General Election conducted on November 6, 2018.
10

11 WHEREAS, the people of the City and County of Denver approved four separate sales and use
12 tax increases at the General Election conducted on November 6, 2018; and

13 WHEREAS, because each of the measures amended the Denver Revised Municipal Code
14 singularly without regard to other measures, this bill is necessary to compile and codify the four
15 measures to accurately reflect, among other things the cumulative tax rate in the Denver Revised
16 Municipal Code.
17

18 **BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

19 **Section 1.** Account Number 97000-282110 of the Fund Plan, Section 20-18, D.R.M.C.,
20 concerning apportionment of the sales, use, and lodger's tax, is amended by adding subsections (i),
21 (j), (k), and (l), to read as follows (with existing subsections (i) and (j) being re-designated as
22 subsections (m) and (n)):

23 *Account Number 97000/282110*

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

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

27 *Disposition of funds:*

28 (h) Monthly ~~(4)~~ allocation apportionment and transfer of only those revenues raised at the rate
29 of .15 percent of gross taxable sales from sales and use taxes levied to the Denver preschool program
30 in the General Government Special Revenue Fund.

31 i. Monthly allocation apportionment and transfer of only those revenues raised at the rate of
32 0.25 percent of gross taxable sales from sales and use taxes levied to the Parks, Trails, and Open
33 Space Fund.

1 j. Monthly allocation apportionment and transfer of only those revenues raised at the rate of
2 0.25 percent of gross taxable sales from sales and use taxes levied to the Caring for Denver Fund in
3 the General Government Special Revenue Fund.

4 k. Monthly allocation apportionment and transfer of those revenues raised at the rate of 0.08
5 percent of gross taxable sales from sales and use taxes levied to the Healthy Food for Denver's Kids
6 Initiative Fund in the General Government Special Revenue Fund.

7 l. Monthly allocation apportionment and transfer of only those revenues raised at the rate of
8 0.08 percent of gross taxable sales from sales and use taxes levied to the Denver College Affordability
9 Fund Project in the General Government Special Revenue Fund.

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

12 n. Notwithstanding the foregoing provisions relating to the disposition of the sales and use
13 taxes levied, collected and paid on the short-term rental of automobiles, the sales and use taxes
14 levied, collected and paid on food and beverages, and the lodger's taxes, such taxes shall be
15 allocated, apportioned, transferred and used to pay debt service all in accordance with the ordinance
16 or ordinances authorizing the issuance of excise tax revenue bonds, dedicated tax revenue bonds,
17 refunding bonds or any obligations related thereto that were issued or incurred pursuant to the voter
18 approval therefor given on November 3, 2015.

19 *Disbursing authority:* Manager of finance.

20 **Section 2.** Section 53-27 (a), D.R.M.C., is amended by deleting the language stricken and
21 adding the language underlined, and section 53-27, D.R.M.C., is further amended by the addition of
22 the underlined subsections (h), (i), (j), and (k), to read as follows:

23 **Sec. 53-27. - Retailers to collect tax.**

24 (a) *Tax rates.* A tax of ~~three and sixty-five one-hundredths (3.65)~~ three and one-half (3.5)
25 percent is imposed and levied upon all taxable sales of tangible personal property, products, and
26 services except those tangible personal property, products, or services specified in subsection (b) of
27 this section. In order to avoid amounts that are fractions of pennies, taxpayers shall use a rounding
28 procedure approved by the manager when computing the tax. On those taxable sales of tangible
29 personal property, products, or services specified in subsection (b) of this section, there is levied and
30 imposed upon all taxable sales a tax in accordance with the rates set forth in subsection (b).

31 (h) *Sales tax increment to fund the Parks, Trails, and Open Space Program.* In addition to
32 the sales tax otherwise imposed by this section, a tax of twenty-five one-hundredths of one percent
33 (.25%) must be paid on all taxable sales of commodities or services, except on commodities or
34 services specified in subsection (b) of this section, beginning January 1, 2019. The revenue from such

1 additional tax must be used for the sole purpose of funding the Parks, Trails, and Open Space
2 Program created in article XII of chapter 39.

3 (i) Sales tax increment to fund the Caring for Denver Fund. In addition to the sales tax
4 otherwise imposed by this section, a tax of twenty-five one-hundredths of one percent (.25%) shall be
5 paid on all taxable sales of commodities or services, except on commodities or services specified in
6 subsection (b) of this section, beginning January 1, 2019. The revenue from such additional tax shall
7 be used for the sole purpose of funding the Caring for Denver Fund pursuant to article XIV of chapter
8 24.

9 (j) Sales tax increment to the fund the Healthy Food for Denver's Kids Initiative. In addition to
10 the sales tax otherwise imposed by this section, a tax of eight one-hundredths of one percent (.08%)
11 shall be paid on all taxable sales of commodities or services, except on commodities and services
12 specified in subsection (b) of this section, beginning January 1, 2019 and expiring December 31,
13 2028. The revenue from such additional tax shall be used for the sole purpose of funding Healthy
14 Food for Denver's Kids Initiative pursuant to Division 6 of the Article VIII of Chapter 2. Providing that
15 the tax expires in ten years, the revenues from these increased taxes shall be collected and spent
16 before December 31, 2029 by Denver. Notwithstanding any limitations on revenue, spending, or
17 appropriations contained in Section 20 of Article X of the Colorado Constitution or any other provision
18 of law, any revenues generated by this sales tax increment, as approved by the voters at the municipal
19 election on November 6, 2018, may be collected and spent as a voter-approved revenue changes and
20 shall not require further voter approval to modify the tax rate as provided in section 53-85 or to collect
21 and spend any revenue derived from a modified tax rate.

22 (k) Sales tax increment to fund the Denver College Affordability Fund. In addition to the
23 sales tax otherwise imposed by this section, a tax of eight one-hundredths (.08) percent shall be paid
24 on all taxable sales of commodities or services, except on commodities or services specified in
25 subsection (b) of this section, beginning January 1, 2019, and expiring December 31, 2030. The
26 revenue from such additional tax shall be used for the sole purpose of funding the Denver College
27 Affordability Fund pursuant to article IV of chapter 11.

28 **Section 3.** The introductory portion to section 53-28 (a) is amended by deleting the language
29 stricken and adding the language underlined to read as follows:

30 **Sec. 53-28. - Retailer responsible for payment of tax.**

31 (a) *Amount.* Every retailer shall, irrespective of other provisions of this article, be liable and
32 responsible for the payment of an amount equivalent to ~~three and sixty-five one-hundredths (3.65)~~ four
33 and thirty-one one-hundredths (4.31) percent of the retailer's taxable sales of tangible personal
34 property, products, or services specified in this article, except:

1 **Section 4.** Section 53-98 (a), D.R.M.C., is amended by deleting the language stricken and
2 adding the language underlined, and section 53-98, D.R.M.C., is further amended by the addition of
3 the underlined subsections (l), (m), (n), and (o), to read as follows:

4 **Sec. 53-98. - Retailers to collect tax.**

5 (a) *Tax rates.* A tax of ~~three and sixty-five one-hundredths (3.65)~~ three and one-half (3.5)
6 percent is imposed and levied and there shall be collected and paid a tax upon the exercise of the
7 privilege of storing, using, distributing or consuming in the city tangible personal property, or a product
8 or a service subject to the provisions of this article, purchased at retail, or deemed to be purchased at
9 retail, except tangible personal property, or a product or a service specified in subsection (b) of this
10 section. In order to avoid amounts that are fractions of pennies, taxpayers shall use a rounding
11 procedure approved by the manager when computing the tax. On those taxable uses, consumptions,
12 distributions and storages of tangible personal property, products, or services specified in subsection
13 (b) of this section, there is levied and imposed upon the privilege of storing, using, distributing or
14 consuming in the city a tax in accordance with the rates set forth therein.

15 (l) *Use tax increment to fund the Parks, Trails, and Open Space Program.* In addition to the
16 use tax otherwise imposed by this section, a tax of twenty-five one-hundredths of one percent (.25%)
17 must be paid on all taxable uses, consumptions, distributions, and storages of commodities and
18 services, except on commodities and services specified in subsection (b) of this section, beginning
19 January 1, 2019. The revenue from such additional tax must be used for the sole purpose of funding
20 the Parks, Trails, and Open Space Program created in article XII of chapter 39.

21 (m) *Use tax increment to fund the Caring for Denver Fund.* In addition to the use tax otherwise
22 imposed by this section, a tax of twenty-five one-hundredths of one percent (.25) shall be paid on all
23 taxable uses, consumptions, distributions, and storages of commodities and services, except on
24 commodities and services specified in subsection (b) of this section, beginning January 1, 2019. The
25 revenue from such additional tax shall be used for the sole purpose of funding the Caring for Denver
26 Fund pursuant to article XIV of chapter 24.

27 (n) *Use tax increment to fund Healthy Food for Denver's Kids Initiative.* In addition to the use
28 tax otherwise imposed by this section, a tax of eight one-hundredths of one percent (.08%) shall be
29 paid on all taxable uses, consumptions, distributions, and storages of commodities and services,
30 except on commodities and services specified in subsection (b) of this section, beginning January 1,
31 2019, and expiring December 31, 2028. The revenue from such additional tax shall be used for the
32 sole purpose of funding Healthy Food for Denver's Kids Initiative pursuant to Article IV of Chapter 23.

33 (o) *Use tax increment to fund the Denver College Affordability Fund.* In addition to the use tax
34 otherwise imposed by this section, a tax of eight one-hundredths of one (.08) percent shall be paid on

1 all taxable uses, consumptions, distributions, and storages of commodities and services, except on
2 commodities and services specified in subsection (b) of this section, beginning January 1, 2019, and
3 expiring December 31, 2030. The revenue from such additional tax shall be used for the sole purpose
4 of funding the Denver College Affordability Fund pursuant to article IV of chapter 11.

5 **Section 5.** The introductory portion to section 53-99 (a) is amended by deleting the language
6 stricken and adding the language underlined to read as follows:

7 **Sec. 53-99. - Retailer responsible for payment of tax.**

8 (a) *Amount.* Every retailer shall, irrespective of other provisions of this article, be liable and
9 responsible for the payment of an amount equivalent to ~~three and sixty-five one-hundredths (3.65)~~ four
10 and thirty-one one-hundredths (4.31) percent of taxable sales made by him of tangible personal
11 property, products, and services, except:

12 **Section 6. Effective date.** This bill is effective upon passage and is applicable to sales and
13 uses taxes collected on and after January 1, 2019.

14 COMMITTEE APPROVAL DATE: _____, 2018.

15 MAYOR-COUNCIL DATE: _____, 2018.

16 PASSED BY THE COUNCIL _____ 2018

17 _____ - PRESIDENT

18 APPROVED: _____ - MAYOR _____ 2018

19 ATTEST: _____ - CLERK AND RECORDER,
20 EX-OFFICIO CLERK OF THE
21 CITY AND COUNTY OF DENVER
22

23 NOTICE PUBLISHED IN THE DAILY JOURNAL _____ 2018; _____ 2018

24

25 PREPARED BY: _____ Troy Bratton _____; DATE: November 19, 2018

26

27 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the
28 City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
29 ordinance. The proposed ordinance **is not** submitted to the City Council for approval pursuant to §
30 3.2.6 of the Charter.

31

32 Kristin M. Bronson

33 City Attorney

34

35 BY: _____, _____ City Attorney

36 DATE: _____

1
2
3