

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2018

COUNCIL BILL NO. CB18-1420
COMMITTEE OF REFERENCE:
Finance & Governance

A BILL

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

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

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

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

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

Account Number 97000/282110

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

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

Disposition of funds:

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

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

j. Monthly allocation apportionment and transfer of only those revenues raised at the rate of

1 0.25 percent of gross taxable sales from sales and use taxes levied to the Caring for Denver Fund in
2 the General Government Special Revenue Fund.

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

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

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

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

18 *Disbursing authority:* Manager of finance.

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

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

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

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

1 Program created in article XII of chapter 39.

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

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

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

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

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

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

34 **Section 4.** Section 53-98 (a), D.R.M.C., is amended by deleting the language stricken and

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

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

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

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

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

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

32 (o) *Use tax increment to fund the Denver College Affordability Fund.* In addition to the use tax
33 otherwise imposed by this section, a tax of eight one-hundredths of one (.08) percent shall be paid on
34 all taxable uses, consumptions, distributions, and storages of commodities and services, except on

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

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

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

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

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

13 COMMITTEE APPROVAL DATE: November 27, 2018

14 MAYOR-COUNCIL DATE: N/A

15 PASSED BY THE COUNCIL _____ December 10, 2018

16 _____ - PRESIDENT

17 APPROVED: _____ - MAYOR _____

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

22 NOTICE PUBLISHED IN THE DAILY JOURNAL _____; _____

23 PREPARED BY: Troy Bratton, Assistant City Attorney DATE: November 29, 2018

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

30 BY: Kristin J. Crawford, Assistant City Attorney DATE: Nov 29, 2018

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