



Legislation Text

File #: 20-1303, Version: 1

Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)

Date Submitted: 11-02-20

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name: Kiki Turner
Email: Kiki.Turner@denvergov.org

Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance amending Chapters 32 and 53 of the Denver Revised Municipal Code to adopt the model on-line seller ordinance developed and recommended by the Colorado Municipal League.

Amends Chapters 32 and 53 of the Denver Revised Municipal Code to add Colorado Municipal League model ordinance language that will standardize terms and taxation liability for marketplace facilitators and marketplace sellers. The Committee approved filing this item at its meeting on 11-17-20.

Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

This ordinance request seeks to add the "model ordinance" language created in collaboration by CML and various Home-Rule Municipalities across the state into DRMC Chapter 53 Article II (Sales Tax). The need for this new standardized language is critical to have in order to expect online or out-of-state retailers to collect and remit the Denver sales tax on sales in our jurisdiction. Expectations of having sales tax on sales made to Denver residents and businesses creates a fair economy to the local businesses in our city and negates the advantage of ordering online to avoid paying sales tax. Components of the Wayfair vs. South Dakota case at the

Supreme Court allowed the state of South Dakota to prevail because their expectations from out of state retailers were simplified and consistent.

The model ordinance language addresses terms to define marketplace facilitators, multi-channel sellers, and marketplaces and defines what may constitute economic nexus within the city so the retailers understand when their liability starts.

In order to expect compliance from out of state and online retailers we need to have the standardized language and having a single point of remittance option to prevail in our expectations learned from the Wayfair ruling.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?