

ORDINANCE NO. 2024-010

**AN ORDINANCE SUBMITTING TO THE ELECTORATE AT THE
REGULAR MUNICIPAL ELECTION ON NOVEMBER 5, 2024, THE
QUESTION OF AUTHORIZING AN INCREASE IN THE TAX IMPOSED
ON SALES OF TANGIBLE PERSONAL PROPERTY AS PROVIDED IN
SECTION 3.04.050 OF THE CASTLE ROCK MUNICIPAL CODE AND
PROVIDING FOR THE EMERGENCY ADOPTION OF THIS
ORDINANCE ON SECOND AND FINAL READING**

WHEREAS, the Town of Castle Rock (the “Town”) provides outstanding public safety services to Town residents through its Police Department (“CRPD”) and Fire and Rescue Department (“CRFD”); and

WHEREAS, in recent years, CRPD has seen a significant increase in priority 1 and 2 calls for service, going from 11,922 calls in 2019 to a projected 14,483 calls in 2024; and

WHEREAS, with a staffing level of 1.10 officers per 1,000 residents in 2024, CRPD falls far short of the police staffing levels of other comparable jurisdictions, including neighboring communities such as Parker and Lone Tree; and

WHEREAS, likewise, since 2012, CRFD has seen an increase in fire/EMS call volume of 61%, from 3,945 calls in 2012 to 6,340 calls in 2023; and

WHEREAS, CRFD requires additional staffing to open Fire Station 156 to serve the Terrain and Cobblestone Ranch neighborhoods and to provide a much-needed fourth medic unit to serve Town residents; and

WHEREAS, the sales tax revenues forecasted for fiscal years 2025 to 2029 are wholly insufficient to meet the growing needs for CRPD and CRFD staffing; and

WHEREAS, Town staff has identified an increase in the Town’s sales tax as a possible source for such funding; and

WHEREAS, pursuant to Section 13-1 of the Charter of the Town of Castle Rock, Colorado (the “Town Charter”), the Town Council may by ordinance levy and collect taxes for municipal purposes; and

WHEREAS, pursuant to Section 3.04.050 of the Castle Rock Municipal Code, the Town imposes a 4.0% sales tax on all sales of tangible personal property at retail or the furnishing of services as specified in Section 3.04.070 of said Code; and

WHEREAS, pursuant to Article X, Section 20 of the Colorado Constitution (“TABOR”) and Section 13-3 of the Town Charter, no increase or decrease in the Town's sales and use tax shall take effect until approved at a regular or special election by a majority of the registered electors of the Town voting thereon; and

WHEREAS, the Town Council finds and determines that it is necessary and advisable to request approval by the registered electors of the Town for an additional 0.2% sales tax, which tax shall be used, first, to hire an additional 40 public safety personnel over a five-year period, with any remaining revenues used for road maintenance and parks and recreation purposes; and

WHEREAS, it is necessary to prescribe the nature of the proposed tax increase in the Castle Rock Municipal Code and to refer the adoption of such Code provision to the voters at a regular municipal election to be conducted in coordination with the statewide election on November 5, 2024 (the “2024 Regular Municipal Election”); and

WHEREAS, according to Section 1-5-203(3)(a), C.R.S., September 6, 2024, is the last day for the Town’s designated election official to certify the ballot order and content for the 2024 Regular Municipal Election to the Douglas County Clerk and Recorder; and

WHEREAS, to ensure that the statutory deadline is met, the Town Council further finds and determines that an emergency exists and, as such, it is necessary for the preservation of the immediate public health and safety for this Ordinance to take effect upon its adoption on second reading.

NOW, THEREFORE, IT IS ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO, AS FOLLOWS:

Section 1. Amendment. Subsection 3.04.050.A of the Castle Rock Municipal Code is amended to read as follows:

3.04.050 - Tax imposed.

- A. There is hereby imposed on all sales of tangible personal property at retail or the furnishing of services specified in Section 3.04.070 of this Code, a tax of ~~4.0%~~ 4.2% of the sale price of such property or service.

Section 2. Amendment. Subsection 3.04.023.B of the Castle Rock Municipal Code is amended to read as follows:

3.04.023 - Transportation Fund; disposition of sales and use tax revenues.

- B. Unless otherwise pledged, expended or loaned, the revenues derived from the Town’s sales and use tax shall be distributed and used according to the appropriation set annually by the Town Council. This should be in accordance with all other voter-approved initiatives for the sales and use tax distribution, which includes the Transportation Fund, Community Center Fund, ~~and the Parks and Recreation~~ LODGING TAX Fund, AND PUBLIC SAFETY FUND.
- C. Nothing herein shall prohibit the Town from issuing sales and use tax revenue bonds payable from the Town's sales and use tax for any public purpose of the Town, and the

payment of such bonds and the deposits required in connection with such bonds shall occur prior to any deposits required by this Section.

Section 3. Amendment. Section 3.04.024 of the Castle Rock Municipal Code is amended to read as follows:

3.04.024 – ~~Parks and Recreation~~ LODGING TAX Fund; PUBLIC SAFETY FUND.

- A. There is hereby established a ~~parks and recreation~~ LODGING TAX fund into which shall be deposited all revenues collected by the Town from payment of the additional ~~six percent (6.0%)~~ sales tax on lodging authorized by the registered electors of the Town at the November 2, 2021, special municipal election. Such revenues may be expended solely for parks and recreation purposes.

- B. THERE IS HEREBY ESTABLISHED A PUBLIC SAFETY FUND INTO WHICH SHALL BE DEPOSITED ALL REVENUES COLLECTED BY THE TOWN FROM PAYMENT OF THE ADDITIONAL 0.2% SALES TAX AUTHORIZED BY THE REGISTERED ELECTORS OF THE TOWN AT THE NOVEMBER 5, 2024, REGULAR MUNICIPAL ELECTION. SUCH REVENUES MAY BE EXPENDED SOLELY FOR:
 - 1. THE HIRING AND RETENTION OF 22 ADDITIONAL POLICE PERSONNEL FROM FISCAL YEAR 2025 THROUGH AND INCLUDING FISCAL YEAR 2029, INCLUDING OFFICERS FOR PATROL AND TRAFFIC SAFETY, AND ADDITIONAL SCHOOL RESOURCE OFFICERS;

 - 2. THE HIRING AND RETENTION OF 18 ADDITIONAL FIRE AND RESCUE PERSONNEL FROM FISCAL YEAR 2025 THROUGH AND INCLUDING FISCAL YEAR 2029, INCLUDING SUCH PERSONNEL AS NEEDED TO HELP ADEQUATELY STAFF AN ADDITIONAL AMBULANCE UNIT AND A NEW FIRE STATION; AND

 - 3. IF THERE ARE ANY FUNDS REMAINING THEREAFTER, ROAD MAINTENANCE AND PARKS AND RECREATION SERVICES.

Section 4. Public Art. The Town Manager is directed to place the amount of \$200,000 from any available Town revenues into the Public Art Fund for the fiscal year 2025 budget. Additionally, the Town Manager is directed to place a one-time contribution of \$100,000 from Town lodging tax revenues into the Public Art Fund for the fiscal year 2025 budget. Subject to Colorado law, for all future fiscal year budgets, the Town Manager is directed to place \$200,000, adjusted annually by an amount equal to the percentage change in the Town’s sales tax revenues for the immediately preceding year, into the Public Art Fund. All such funds shall be used for the purpose of funding public art programs. The Town Manager is further directed to work with Town staff and the Public Art Commission to develop a process by which interested individuals and

organizations may apply for and be awarded grants from these funds, which process shall be subject to the approval of Town Council.

Section 5. Referred Measure. As required under TABOR, this Ordinance shall be referred to the registered electors of the Town at the November 5, 2024, regular municipal election and, subject to their approval, shall take effect on January 1, 2025.

Section 6. Ballot Issue. There shall be submitted to the registered electors of the Town at the regular municipal election to be held on Tuesday, November 5, 2024, the following ballot issue:

PUBLIC SAFETY SALES TAX

SHALL TOWN OF CASTLE ROCK TAXES BE INCREASED BY \$3,750,000 ANNUALLY BEGINNING JANUARY 1, 2025, AND BY SUCH AMOUNTS AS ARE RAISED ANNUALLY THEREAFTER, BY AN ADDITIONAL SALES AND USE TAX OF 0.2% (WHICH WOULD COST 20 CENTS ON A \$100 PURCHASE) TO FUND:

- THE HIRING OF 22 POLICE PERSONNEL IN THE NEXT 5 YEARS, INCLUDING OFFICERS FOR PATROL AND TRAFFIC SAFETY AND ADDITIONAL SCHOOL RESOURCE OFFICERS;
- THE HIRING OF 18 FIRE AND RESCUE PERSONNEL IN THE NEXT 5 YEARS, INCLUDING SUCH PERSONNEL AS NEEDED TO HELP ADEQUATELY STAFF AN ADDITIONAL AMBULANCE UNIT AND A NEW FIRE STATION; AND
- IF THERE ARE ANY REMAINING FUNDS, ROAD MAINTENANCE AND PARKS AND RECREATION SERVICES;

AND SHALL THE TOWN BE AUTHORIZED TO COLLECT, RETAIN AND SPEND THE PROCEEDS OF THE REVENUE FROM SUCH TAXES AND ANY EARNINGS THEREON WITHOUT LIMITATION OR CONDITION AS A VOTER-APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES ____ NO ____

Section 7. Actions by Town Officers and Employees. The Town Clerk is hereby directed to take all actions necessary and proper in order to place this ballot issue on the coordinated election ballot of November 5, 2024.

Section 8. No Repeal. The failure of this ballot issue to obtain voter approval shall not repeal or impair any other voter-approved revenue change of the Town under TABOR.

Section 9. Emergency Clause. For the reasons stated in the recitals to this Ordinance, it is declared that an emergency exists and it is necessary for the preservation of the immediate public health and safety for this Ordinance to take effect upon its adoption on second and final reading pursuant to 2.01.300.C of the Town Municipal Code.

Section 10. Severability. If any clause, sentence, paragraph, or part of this Ordinance or the application thereof to any person or circumstances shall, for any reason, be adjudged invalid by a court of competent jurisdiction, such judgment shall not affect the remaining provisions of this ordinance.

Section 11. Safety Clause. The Town Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this ordinance bears a rational relation to the legislative object sought to be obtained.

APPROVED ON FIRST READING this 16th day of July 2024, by a vote of ___ for and ___ against, after publication in compliance with Section 2.02.100.C of the Castle Rock Municipal Code; and

PASSED, APPROVED AND ADOPTED ON SECOND AND FINAL READING this ___ day of _____, 2024, by the Town Council of the Town of Castle Rock by a vote of ___ for and ___ against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

David L. Corliss, Town Manager