

**ORDINANCE NO. 2021-015**

**AN ORDINANCE SUBMITTING TO THE ELECTORATE AT THE SPECIAL MUNICIPAL ELECTION ON NOVEMBER 2, 2021, THE QUESTION OF AUTHORIZING AN INCREASE IN THE TAX IMPOSED ON SALES OF LODGING AS PROVIDED IN SECTION 3.04.050 OF THE CASTLE ROCK MUNICIPAL CODE**

**WHEREAS**, the Town of Castle Rock (the “Town”) operates and maintains world-class parks and recreation services that are regularly enjoyed by Town residents and visitors alike; and

**WHEREAS**, it is reasonable that visitors to the Town should also be responsible for funding a share of the costs associated with the Town’s parks and recreation services; 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**, Town staff has identified an increase in the Town’s sales tax on lodging as a possible source for such funding; and

**WHEREAS**, pursuant to Section 3.04.050 of the Castle Rock Municipal Code, the Town imposes a 4.0% sales tax on the furnishing of lodging; 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 has determined that it is necessary and advisable to request approval by the registered electors of the Town for an additional six percent (6.0%) sales tax on lodging, which tax shall be used for 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 special municipal election to be conducted in coordination with the statewide coordinated election on November 2, 2021.

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

**Section 1. Amendment.** Section 3.04.050 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 as provided in subpart (1)(d) of Part 105, Article 2, Title 29, C.R.S., a tax of ~~three and six tenths percent (3.6%) of the gross receipts between the dates of January 1, 1996, and December 31, 2010, and thereafter a tax of four percent (4.0%) of gross receipts commencing on January 1, 2011, or upon such earlier date as provided in Section 3.04.024.~~

B. IN ADDITION TO THE TAX IMPOSED BY SUBSECTION A OF THIS SECTION, THERE IS HEREBY IMPOSED ON ALL SALES OF LODGING A TAX OF SIX PERCENT (6.0%) OF THE GROSS RECEIPTS.

C. FOR PURPOSES OF THIS SECTION, "LODGING" MEANS THE TRANSACTION OF FURNISHING ROOMS OR ACCOMMODATIONS BY ANY PERSON, PARTNERSHIP, LIMITED LIABILITY COMPANY, ASSOCIATION, CORPORATION, ESTATE, RECEIVER, TRUSTEE, ASSIGNEE, LESSEE, OR PERSON ACTING IN A REPRESENTATIVE CAPACITY OR ANY OTHER COMBINATION OF INDIVIDUALS BY WHATEVER NAME KNOWN TO A PERSON WHO FOR A CONSIDERATION USES, POSSESSES, OR HAS THE RIGHT TO USE OR POSSESS ANY ROOM IN A HOTEL, APARTMENT HOTEL, LODGING HOUSE, MOTOR HOTEL, GUESTHOUSE, GUEST RANCH, TRAILER COACH, MOBILE HOME, AUTO CAMP, OR TRAILER COURT AND PARK, UNDER ANY CONCESSION, PERMIT, RIGHT OF ACCESS, LICENSE TO USE, OR OTHER AGREEMENT, OR OTHERWISE. "LODGING" SHALL NOT INCLUDE THE TRANSACTION OF FURNISHING ROOMS OR ACCOMMODATIONS TO ANY NATURAL PERSON WHO IS A PERMANENT RESIDENT OF ANY HOTEL, APARTMENT HOTEL, LODGING HOUSE, MOTOR HOTEL, GUESTHOUSE, GUEST RANCH, TRAILER COACH, MOBILE HOME, AUTO CAMP, OR TRAILER COURT OR PARK AND WHO ENTERS INTO OR HAS ENTERED INTO A WRITTEN AGREEMENT FOR OCCUPANCY OF A ROOM OR ACCOMMODATIONS FOR A PERIOD OF AT LEAST 30 CONSECUTIVE DAYS DURING THE CALENDAR YEAR OR PRECEDING YEAR.

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

3.04.023 - Transportation Fund; and disposition of SALES AND USE TAX revenues.

A. There is established a special fund of the Town to be known as the "Town of Castle Rock Transportation Fund." Monies credited to such fund shall be used for the purpose of financing the costs of construction, acquisition, installation, repair and maintenance of streets, sidewalks, bicycle and pedestrian trails, bridges and drainage facilities, public transit, landscaping of public rights-of-way, easement and right-of-way acquisition necessary to develop such transportation facilities and for the operations of municipal departments charged with the responsibility for construction and maintenance of such facilities. Monies credited to such fund may be available to be pledged, expended or loaned by interfund transfer or otherwise, for any general purpose of the Town, as determined by the Town Manager.

B. Unless otherwise pledged, expended or loaned, the revenues derived from the Town's ~~four percent~~ 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, ~~and the~~ Community Center Fund, AND THE PARKS AND RECREATION 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. Repeal and Reenact.** Section 3.04.024 of the Castle Rock Municipal Code is repealed and reenacted to read as follows:

3.04.024 – Parks and Recreation Fund.

There is hereby established a parks and recreation 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.

**Section 4. Referred Measure.** As required under TABOR, this Ordinance shall be referred to the registered electors of the Town at the November 2, 2021, special municipal election and shall take effect only upon their approval on January 1, 2022.

**Section 5. Ballot Issue.** There shall be submitted to the registered electors of the Town at the special municipal election to be held on Tuesday, November 2, 2021, the following ballot issue:

PARKS AND RECREATION SALES TAX ON LODGING

SHALL CASTLE ROCK TAXES BE INCREASED BY \$650,000 ANNUALLY IN THE FIRST FULL YEAR OF SUCH INCREASE, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, FROM AN ADDITIONAL 6.0% SALES TAX ON LODGING, TO BE USED SOLELY FOR PARKS AND RECREATION PURPOSES, AND SHALL ALL REVENUES FROM SUCH TAX BE COLLECTED, RETAINED, AND SPENT AS A VOTER-APPROVED REVENUE CHANGE AND AS AN EXCEPTION TO THE LIMITS THAT WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER APPLICABLE LAW?

YES \_\_\_\_ NO \_\_\_\_

**Section 6. Actions by Town Officers and Employees.** The Town Clerk is hereby directed to take all actions necessary and proper in order to place the ballot issue on the statewide coordinated election ballot of November 2, 2021.

**Section 7.     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 8.     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 9.     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 20th day of July, 2021 by a vote of 7 for and 0 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 17<sup>th</sup> day of August, 2021, 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