

1 RESOLUTION NO. 72-22

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3 A RESOLUTION SETTING A TITLE AND SUBMITTING TO THE ELECTORATE ON
4 NOVEMBER 8, 2022, A MEASURE TO IMPOSE AN EXCISE TAX OF EIGHT PERCENT (8%) ON
5 THE AMOUNT CHARGED FOR SHORT-TERM RENTALS FOR AFFORDABLE HOUSING IN THE
6 CITY OF GRAND JUNCTION AND RETAIN AND SPEND ALL THE TAX REVENUE AS DEFINED
7 BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION

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9 RECITALS.

10 Short-term rentals of residential properties in Grand Junction have become more
11 popular and accordingly fewer homes and other residences are available for long-
12 term rental and owner-occupied housing. The increased popularity of short-term rentals
13 in the City has impacted both the availability and the price of long-term rentals and
14 home ownership, which coupled with increasing home prices on "for sale" homes have
15 resulted in middle- and lower-income people being unable to find housing that is
16 affordable.

17 Both the availability and affordability gaps in turn create pressure on employers
18 because employees require higher wages to sustain a reasonable quality of life and/or
19 are unable to continue to work for the wages that the employer can afford to pay. It is
20 all too common that businesses, governments, and other employers are unable to
21 recruit and/or retain employees, which are necessary to provide adequate public
22 service and private goods and services, directly related to the lack of available
23 affordable housing.

24 The City Council therefore finds it necessary to impose an excise tax of 8% on the
25 amount charged for short-term rentals, as defined by the Grand Junction Municipal
26 Code (GJMC), including any short-term rental that does not pay a commercial
27 property tax rate, with the revenue derived from the excise tax being allocated to
28 provide long-term, workforce, or attainable/affordable housing as defined by the City
29 Council and/or to fund such housing projects at City Council's discretion.

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31 NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND

32 JUNCTION THAT:

33 1. The purpose of this resolution (Resolution) is to authorize the submission to the
34 eligible electors voting at the election to be held on the first Tuesday of November 2022
35 (the Election), a ballot question to enact, levy and impose an excise tax at a rate of
36 8%, which shall be in addition applicable sales and lodgers' taxes, on the price paid for
37 the letting, rental or other right to occupy any short-term rental in the City of Grand
38 Junction, with the revenue derived from the excise tax being used exclusively for
39 developing, funding, and implementing in accordance with the ordinances of the City
40 of Grand Junction and this Resolution and ballot question affordable
41 housing. The eight percent (8%) excise tax shall be referred to herein as the *Short-term*
42 *Rental Tax for Housing*.

43 2. If approved by the eligible electors voting thereon, the *Short-term Rental Tax for*
44 *Housing* shall be a voter-approved revenue change or an exception to limits on
45 revenues and spending, without limiting the collection or spending of any other
46 revenues or funds by the City under Article X, Section 20 of the Constitution of the State
47 of Colorado (TABOR) or any other law.

48 3. If approved by the eligible electors voting thereon at the November 8, 2022, election,
49 the *Short-term Rental Tax for Housing* shall become effective on January 1, 2023.

50 4. The definitions of the words contained in this Resolution, if not specifically
51 defined herein, shall be as set forth in the Grand Junction Municipal Code
52 (GJMC), which definitions are incorporated by reference into this Resolution as if
53 fully set forth and as amended from time to time. The term "City" includes all lands
54 within the corporate limits of the City of Grand Junction and all lands duly and lawfully
55 annexed to the City.

56 5. At the time of making a tax return of the *Short-term Rental Tax for Housing* (which
57 shall be the same as the time for making a sales tax return) every owner of a short-term
58 rental shall not be entitled to withhold an additional processing fee for the expense of

59 the collection and remittance of the *Short-term Rental Tax for Housing*.

60 6. Except for the foregoing change regarding the Vendors Fee, for the purposes of
61 applicability, exemptions, collection, administration, and enforcement of this
62 Resolution and the Lodgers Tax as amended, the provisions of GJMC 3.08.010 *et. seq.*,
63 as amended from time to time, shall be deemed applicable and incorporated into
64 this Resolution.

65 7. Effective January 1, 2023, the City shall budget and expend the revenue generated
66 from the Short-term Rental excise tax for the following purposes:

67 a) acquisition, developing, funding, and implementing in accordance with the
68 ordinances of the City and this Resolution and ballot question,
69 affordable housing projects, programs, and related administration, creating
70 programs that facilitate the development of partnerships among non-
71 profits, the private sector, and governments for the acquisition, development,
72 operation, maintenance, and other actions to provide affordable housing; and,
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79 b) funding homeownership assistance, shared and sweat equity programs and
80 other programs to facilitate homeownership; and,
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83 c) implementing the City's Housing Strategy, as may be amended, and,
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85 d) any other actions and programs not inconsistent with these purposes and in
86 accordance with and pursuant to the City Council's definition and description of
87 the terms, conditions, and circumstances of, and for the budgeting for, the
88 expenditure of the revenue.
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92 8. To promote, develop and obtain affordable housing, as generally described above
93 and as further defined and described by City Council, the City Council may annually
94 budget and expend funds or may accrue funds, subject to annual appropriation, for
95 specific housing project(s); however, allocated in each and every year after the *Short-*

96 *term Rental Tax for Housing* becomes effective, with all revenue derived from the tax
97 being used solely for the purposes described herein and as determined by the City
98 Council to be consistent herewith.

99 9. At the general election, to occur on November 8, 2022, the official ballot, including
100 absentee and mail ballots, shall state the substance of the question to be voted upon
101 and so stated shall constitute the ballot title, designation, and submission clause, and
102 each registered elector voting at the election shall indicate his or her choice on the
103 question submitted, which shall be in the following form:

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105 SHALL CITY OF GRAND JUNCTION TAXES BE INCREASED BY \$325,000.00 ANNUALLY
106 IN THE FIRST YEAR (2023), AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED
107 ANNUALLY THEREAFTER BY THE ADOPTION OF AN EIGHT PERCENT (8%) EXCISE TAX
108 ON THE PRICE PAID FOR SHORT TERM RENTAL ACCOMMODATIONS IN THE CITY,
109 WITH ALL OR ANY PORTION OF THE NET PROCEEDS OF THE EXCISE TAX ON SHORT
110 TERM RENTAL ACCOMMODATIONS, AS DETERMINED BY THE CITY COUNCIL, BEING
111 COLLECTED, RETAINED AND SPENT FOR ACQUIRING LAND AND/OR BUILDINGS,
112 DEVELOPING, FUNDING, MAINTAINING, AND OPERATING AFFORDABLE HOUSING
113 PROJECT(S) AND AFFORDABLE HOUSING RELATED PROGRAM(S) AS THE SAME
114 MAY BE DEFINED BY THE CITY, WHETHER FOR THE CITY AND/OR IN
115 COLLABORATION WITH NON-PROFIT(S), THE PRIVATE SECTOR, AND OTHER
116 GOVERNMENT(S), SO LONG AS THE PROJECTS AND/OR PROGRAMS ARE
117 CONSISTENT WITH AND IMPLEMENT THE CITY'S ADOPTED HOUSING STRATEGIES, AS
118 MAY BE AMENDED, AND FOR OTHER ACTIONS AND PROGRAMS NOT
119 INCONSISTENT WITH THESE PURPOSES, AND SHALL THE REVENUES GENERATED
120 BY SUCH TAX INCREASE AND PROCEEDS BE COLLECTED AND SPENT BY THE CITY AS
121 A VOTER APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING,
122 REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION
123 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

124 _____ YES _____ NO

125 10. The ballot title is set based upon the requirements of the Colorado Constitution and
126 the City Charter, all State statutes that might otherwise apply are hereby superseded to
127 the extent of any inconsistencies or conflicts and, pursuant to Section 31-11-102, C.R.S.,
128 is an alternative to the provisions of State law. Any inconsistency or conflict is intended
129 by the City Council and shall be deemed made pursuant to the authority of Article XX
130 of the Colorado Constitution and the Charter.

131 11. Pursuant to Sections 31-10-1308, and 1-11-203.5 C.R.S., any election contest arising
132 out of a ballot issue or ballot question election concerning the order of the ballot or the
133 form or content of the ballot title shall be commenced by petition filed with the proper
134 court within five days after the title of the ballot issue or ballot question is set, and for
135 contest concerning the order of a ballot, within five days after the ballot order is set by
136 the County Clerk.

137 12. The officers of the City are hereby authorized and directed to take all action
138 necessary or appropriate to effectuate the provisions of this resolution.

139 13. If any section, paragraph, clause, or provision of this resolution shall for any reason
140 be held to be invalid or unenforceable, the invalidity or unenforceability of such
141 section, paragraph, clause, or provision shall in no manner affect any remaining
142 provisions of this resolution, the intent being that the same are severable.

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144 APPROVED AND ADOPTED this 7th day of September 2022.

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146 _____
147 Anna M. Stout
148 President of the City Council

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150 ATTEST:

151 _____
152 Amy Phillips
153 City Clerk