

1 RESOLUTION NO. 71-22
2 A RESOLUTION SETTING A TITLE AND SUBMITTING TO THE ELECTORATE ON
3 NOVEMBER 8, 2022 A MEASURE TO INCREASE THE LODGING TAX BY ONE PERCENT (1%)
4 FOR AFFORDABLE HOUSING IN THE CITY OF GRAND JUNCTION AND RETAIN AND SPEND
5 ALL THE TAX REVENUE AS DEFINED BY ARTICLE X, SECTION 20 OF THE COLORADO
6 CONSTITUTION

7 RECITALS.

8 In 1988 the City Council of the City of Grand Junction adopted Ordinance 2401
9 Creating the Grand Junction Visitors and Convention Bureau (VCB). Since January 1,
10 1989, the VCB (now known as Visit Grand Junction) has capably served the City and
11 the region by providing destination marketing, promotion, and visitor services. With
12 Ordinance 2401/People's Ordinance 34, the City imposed a 3% tax on the price paid for
13 "lodging," which is defined as the providing of the right to use or possess, for
14 consideration, any room, or rooms for temporary occupancy, such as, but not limited
15 to; a room in a hotel, guesthouse, hotel apartment and lodging houses, motel, ranch,
16 resort, mobile home, mobile home park, bed and breakfast establishment, movable
17 structure, auto camp, trailer court, inn, hostel or park under any concession, permit,
18 right of access, lease, contract, license to use or other arrangement or otherwise, but
19 shall not include rentals under a written agreement for occupancy for a period of 30
20 consecutive days or more.

21 The revenues derived from such lodging tax are used exclusively for promoting and
22 marketing tourism and tourism-related activities.

23 In 2018 voters approved ballot measure 2A which increased the lodgers' tax by 3% to
24 fund additional and new promotion and marketing for travel and tourism-related
25 activities including, but not limited to, sports-related tourism and support for direct air
26 service in Grand Junction.

27 While people employed in the hospitality and tourism industry, among others, are often
28 lower paid, but tend to be upwardly mobile, there is a generalized shortage of
29 affordable, workforce

30 housing and in response to that need this resolution sets a ballot question to increase
31 the lodging tax one percent (1%) and to seek voter authorization for the City of Grand
32 Junction to retain and spend the tax revenue for the use and benefit of housing
33 programs in the City, as determined by the City Council to be necessary,
34 advantageous and beneficial to the provision of affordable, workforce housing.
35 Because the lodging tax is almost universally paid by business and leisure travelers, it
36 imposes little if any burden on City residents.

37 NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
38 GRAND JUNCTION THAT:

39 1. The purpose of this resolution (Resolution) is to authorize the submission to the
40 eligible electors voting at the election to be held on November 8, 2022
41 (the Election), a ballot question to enact, levy and impose an increase in the Lodgers
42 Tax of 1% (for a total Lodgers Tax of 7%) on the price paid for the leasing or
43 rental of any occupied hotel room, motel room, lodging house, bed and breakfast,
44 short term rental, and other accommodation with the revenue derived from the tax
45 being used exclusively for developing, funding, and implementing in accordance with
46 the ordinances of the City of Grand Junction and this resolution and ballot question
47 affordable housing. The one percent (1%) increase shall be referred to
48 herein as the *Lodgers Tax Increase for Housing*.

49 2. If approved by the eligible electors voting thereon, the *Lodgers Tax Increase for*
50 *Housing* shall be a voter-approved revenue change or an exception to limits on
51 revenues and spending, without limiting the collection or spending of any other
52 revenues or funds by the City under Article X, Section 20 of the Constitution of the State
53 of Colorado (TABOR) or any other law.

54 3. If approved by the eligible electors voting thereon at the Election, the *Lodgers*
55 *Tax Increase for Housing* shall become effective on January 1, 2023.

56 4. If not approved, the Lodgers Tax of 6% will remain in effect and remain an
57 exception to the limits on revenues and spending under Article X, Section 20 of
58 the Colorado Constitution (TABOR), having been imposed prior to the enactment of

59 TABOR.

60 5. The definitions of the words contained in this Resolution, if not specifically
61 defined herein, shall be as set forth in the Grand Junction Municipal Code
62 (GJMC), which definitions are incorporated by reference into this Resolution as if
63 fully set forth and as amended from time to time. The term "City" includes all lands
64 within the corporate limits of the City of Grand Junction and all lands duly and lawfully
65 annexed to the City.

66 6. At the time of making a tax return of the Lodgers Tax, every owner of every
67 lodging property shall continue to be entitled to withhold a processing fee
68 to cover the expenses for the collection and remittance of the Lodgers Tax in
69 accordance with GJMC 3.08.010 *et. seq.*; however, because the cost of
70 processing is not expected to increase, no such processing fee shall apply to this
71 1% *Lodgers Tax Increase for Housing* amount.

72 7. Except for the foregoing change regarding the Vendors Fee, for the purposes of
73 applicability, exemptions, collection, administration, and enforcement of this
74 Resolution and the Lodgers Tax as amended, the provisions of GJMC 3.08.010 *et. seq.*,
75 as amended from time to time, shall be deemed applicable and incorporated into
76 this Resolution.

77 8. Effective January 1, 2023, the City shall budget and expend the revenue generated
78 from the *Lodgers Tax Increase for Housing* for the following purposes:

- 79 a) acquisition, developing, funding, and implementing in accordance with the
80 ordinances of the City and this Resolution and ballot question, affordable housing
81 projects, programs, and related administration, creating programs that facilitate the
82 development of partnerships among non-profits, the private sector, and governments
83 for the acquisition, development, operation, maintenance, and other actions to
84 provide affordable housing; and,
- 85 b) funding homeownership assistance, shared and sweat equity programs and
86 other programs to facilitate homeownership; and,
- 87 c) implementing the City's Housing Strategy, as may be amended, and,

88 d) any other actions and programs not inconsistent with these purposes and in
89 accordance with and pursuant to the City Council's definition and description of
90 the terms, conditions, and circumstances of, and for the budgeting for, the
91 expenditure of the revenue.

92 9. 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 *Lodgers*
96 *Tax Increase 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 10. 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:

104 SHALL CITY OF GRAND JUNCTION LODGING TAX BE INCREASED BY \$ 1,030,000.00
105 ANNUALLY IN THE FIRST YEAR (2023), AND BY WHATEVER ADDITIONAL AMOUNTS ARE
106 RAISED ANNUALLY THEREAFTER, BY THE ADOPTION OF AN ADDITIONAL ONE PERCENT
107 (1%) TAX ON THE PRICE PAID FOR LODGING IN THE CITY, WITH THE ADDITIONAL ONE
108 PERCENT (1%) LODGING TAX BEING COLLECTED IN THE SAME MANNER AS THE CITY'S
109 LODGING TAX, AS AMENDED TO 2018, WITH ALL OR ANY PORTION OF THE NET PROCEEDS
110 OF ADDITIONAL 1% LODGING TAX, ACQUIRING LAND AND/OR BUILDINGS,
111 DEVELOPING, FUNDING, MAINTAINING, AND OPERATING AFFORDABLE HOUSING
112 PROJECT(S) AND AFFORDABLE HOUSING RELATED PROGRAM(S) AS THE SAME MAY BE
113 DEFINED BY THE CITY, WHETHER FOR THE CITY AND/OR IN COLLABORATION WITH NON-
114 PROFIT(S), THE PRIVATE SECTOR, AND OTHER GOVERNMENT(S), SO LONG AS THE
115 PROJECTS AND/OR PROGRAMS ARE CONSISTENT WITH AND IMPLEMENT THE CITY'S
116 ADOPTED HOUSING STRATEGIES, AS MAY BE AMENDED, AND FOR OTHER ACTIONS AND

117 PROGRAMS NOT INCONSISTENT WITH THESE PURPOSES, AND SHALL THE REVENUES
118 GENERATED BY SUCH TAX INCREASE AND PROCEEDS BE COLLECTED AND SPENT BY THE
119 CITY AS A VOTER APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING,
120 REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION
121 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

122 _____YES _____ NO

123

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

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

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

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

142 APPROVED AND ADOPTED this 7TH day of September 2022.

143 _____

144 Anna M. Stout

145 President of the City Council

146

147 ATTEST:

148 _____

149 Amy Phillips

150 City Clerk