

**TOWN OF RICO, COLORADO
ORDINANCE NO. 2001-7**

**AN EMERGENCY ORDINANCE AMENDING ORDINANCE NO. 335 TO IMPLEMENT
VOTER APPROVED SALES TAX, LODGING TAX AND EXCISE TAX**

WHEREAS the voters in the Town of Rico approved the imposition of a 1% sales tax increase, a 1% lodging tax, and a \$2 per square foot on all new construction excise tax at the November 6th election; and,

WHEREAS, the Town Board finds that the implementation of this taxing authority is necessary to the health, safety and general welfare of the Rico community;

**NOW THEREFORE, THE BOARD OF TRUSTEES OF THE TOWN OF RICO
ORDAINS:**

Section 1. Amendment of Ordinance No. 335. Ordinance No. 335 is hereby amended as follows:

Article II Sales Tax, paragraph F. Amount of Tax is hereby amended to read as follows:

“There is hereby imposed upon all sales of tangible personal property and the furnishing of certain services described in section D. of this Article, a five percent (5%) sales tax as provided herein.”

Article II Sales Tax, paragraph I. Revenues Derived – Disposition, is hereby amended to read as follows:

“Revenues derived from the sales tax imposed by this ordinance shall be allocated as follows: 80% to the General Fund, 10% to the Parks, Open Space and Trails Fund, and 10% to the Street Fund.”

Article III is hereby repealed and a new Article III enacted to read as follows:

“ARTICLE III LODGING TAX

A. Purpose

The purpose of this Article is to impose a Lodging Tax at the rate of 1% on all lodging.

B. Definitions

“Lodging” is defined as all short term rentals of property for a period of thirty (30) days or less, including but not limited to hotel and motel rentals, rentals of cabins or residential properties, rentals of recreational vehicle sites and rental of camping sites.”

C. Revenues Derived – Disposition

Revenues derived from the Lodging Tax shall be imposed by this ordinance shall be allocated as follows: 75% to the Parks, Open Space and Trails Fund and 25% to the Rico Business Association. The Town may decide to re-allocate the 25% of revenues to the Rico Business Association to such other purposes as the Town deems appropriate by ordinance.”

Article IV EXCISE TAX is hereby enacted to read as follows:

A. Purpose

The purpose of this Article is to impose an Excise Tax at the rate of \$2 per square foot on all new construction in order to generate necessary funds for the provision of public capital improvements to serve the increased demands for public services caused by new construction. The Excise Tax is not an *ad valorem* tax on real property and is not related to the value of real property construction.

B. Definitions

“Square Foot” means the square footage of construction as is defined and calculated by the Rico Land Use Code, as may be amended from time to time.

“New Construction” means any new construction which requires a building permit from the Town of Rico as required by the Rico Land Use Code, as may be amended from time to time, but does not include re-modelling and repair of existing structures.

C. Procedure

The Excise Tax shall be due and payable upon the application of a building permit and prior to the receipt of a building permit. The Town shall not issue a building permit unless and until the Excise Tax has been paid. The issuance of a building permit without the payment of the Excise Tax shall not waive, negate, or estop the Town’s right to collect the Excise Tax.

D. Revenues Derived – Disposition

Revenues derived from the Excise Tax shall be imposed by this ordinance shall be allocated as follows: 25% to the General Fund, 25% to the Street Fund, 25% to the Parks, Open Space and Trails Fund and 25% to the Rico Fire Protection District

ARTICLE V. CAPITAL IMPROVEMENTS FUNDS

A. Separate Fund Category The Town shall establish and maintain a separate Capital Improvements category for the revenues derived from this ordinance that are allocated by voter approval to capital improvements in the General Fund, Street Fund and Parks, Open Space, and Trails Fund. Funds received and allocated towards Capital Improvements shall be restricted to such use only and may not be transferred to other funds or used for general

operation and maintenance expenses. Any agreement with the Rico Fire Protection District for the disbursement of Capital Improvements funds derived from this Ordinance and authorized by the November 6th election shall include a requirement that such funds be accounted for separately and used only for capital improvement purposes.

B. Definition

“Capital Improvements” means the purchase of real estate or equipment or construction of facilities, or any improvements related to such real estate, equipment or facilities, that has a useful life expectancy of five (5) years or greater.

Section 2. Emergency Ordinance. This ordinance is adopted as an emergency ordinance.

Section 3. Effective Date. This ordinance shall be effective immediately. The 1% increased Sales Tax Rate, 1% Lodging Tax, and \$2.00 (two dollar) per square foot excise tax shall take effect on the 1st day of January, 2002.

READ, MOVED AND APPROVED ON FIRST AND FINAL READING ON THE 12th DAY OF DECEMBER, 2001.

TOWN OF RICO, COLORADO

BY: Steve Snelling
Steve Snelling, Acting Mayor

ATTEST: Linda Yellowman
Linda Yellowman, Town Clerk

APPROVED AS TO FORM:


Eric James Heil
Eric James Heil, Town Attorney

CERTIFICATION

**STATE OF COLORADO
COUNTY OF DOLORES SS
TOWN OF RICO**

I, Linda Yellowman, Town Clerk of the Town of Rico, Colorado do hereby certify that the foregoing Ordinance No. 2001-7 is a true and correct copy of the original ordinance read, adopted and was referred to an election this 10th day of September 2001 by the Board of Trustees of the Town of Rico. Ordinance No. 2001-7 passed with 66 yes votes and 42 no votes on November 6th, 2001.

WITNESS my hand and seal of said Town of Rico, Colorado this 20th, day of December 2001.



Rico Town Clerk
Town of Rico, Colorado