

**TOWN OF RICO
ORDINANCE NO. 2022-07**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO AMENDING
ORDINANCE NO. 2022-02 TO ADJUST THE COLLECTION SCHEDULE
AND REQUIRED DOCUMENTATION FOR LODGING TAX RETURNS**

WHEREAS, the Town of Rico, Colorado (“Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Town of Rico Home Rule Charter; and

WHEREAS, the Board of Trustees of the Town of Rico (“Board”) has the authority to collect taxes pursuant to Section 10.4 of the Town of Rico Home Rule Charter provided that no new tax or tax rate increase shall be effective until approved, if required, pursuant to Article X, § 20 of the Colorado Constitution; and

WHEREAS, at the general biennial election held November 2, 2021, the electors of the Town authorized an increase in the Town’s lodging tax from 1% to 7%; and

WHEREAS, on January 19, 2022, the Board adopted Ordinance No. 2022-02, implementing the tax increase, repealing and replacing the Town’s existing lodging tax ordinance, and adopting collection and enforcement measures; and

WHEREAS, the Board determines and finds that the monthly lodging tax collection schedule adopted in Ordinance No. 2022-02 is inefficient for the Town and the administrative costs of collection are too high relative to the amount of tax collected; and

WHEREAS, the Board determines and finds that requiring lodging vendors to submit reasonable accounting showing the calculation of sales tax collected and remitted will facilitate the fair, consistent, and uniform collection of lodging tax; and

WHEREAS, the Board determines and finds that allowing the Town to revoke the business license of a vendor who violates the Town’s sales tax ordinance will give the Town a greater ability to enforce its lodging tax and will deter vendors from not complying with the ordinance; and

WHEREAS, the Board finds that amending the collection and penalty procedures for lodging tax will promote the welfare and best interests of the Town and desires to amend Ordinance 2022-02 accordingly.

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

Section 1. The recitals hereinabove are hereby adopted as findings and incorporated herein.

Section 2. The Board hereby amends Section 3 of Ordinance No. 2022-02, a New Ordinance for Lodging Tax, as follows (deletions shown in ~~striketrough~~, additions shown in double underline):

D. Collection of Tax

1. Every vendor providing accommodations taxable by this Ordinance shall collect the tax from each customer and shall remit such tax and make a return to the Town on or before the 20th day of ~~April, July, October, and January~~ each month, on account of for accommodations provided in the preceding ~~month~~ three-month period. Said return shall be in such form as the Town Manager may prescribe and shall contain a statement of the number of nights each room or premises was occupied, the base price per night per occupied room or premises, a corresponding calculation supporting the amount of tax remitted to the Town for the applicable three-month period, and any additional information as the Town may prescribe. The documentation in the return shall contain a report provided or generated by the rental platform (such as Airbnb or VRBO) showing the occupied nights and price, such information and be in such form as the Town may prescribe.
2. The burden of proving that any transaction is exempt from the tax shall be upon the vendor.
3. In the event any vendor collects more than the tax imposed by this section, such amount shall nonetheless be remitted, in full to the Town.
4. The tax collected by the vendor shall be held in trust by the vendor for the Town until remitted.
5. The vendor shall maintain, keep, and preserve suitable records of all transactions and such other books and accounts as may be necessary to determine the amount of taxes for which the vendor is liable. All such records shall be kept for at least a period of three (3) years and shall be open to inspection and audit by the Town at any reasonable time.
6. Except as otherwise provided by law, tax returns shall be kept confidential and used only for administration and enforcement purposes.


E. Enforcement

1. It shall be unlawful for any person to fail to pay any tax imposed by this Section or for any vendor to fail to collect it and remit it to the Town or for any person to otherwise violate any provision of this Section.
2. A penalty in the amount of ten percent (10%) of the tax due or the sum of \$10.00, whichever is greater, shall be imposed upon the vendor and become due, in the event the tax is not remitted by date required under this Ordinance ~~the 20th of the month, as required by~~ this Section and one percent (1%) interest shall accrue each month on the unpaid balance.
3. If any vendor fails to make an accurate return and pay the tax imposed by this Ordinance, the Town may make an estimate, based upon available information of the amount of tax due, and add the penalty and interest provided above. The Town shall mail notice of such assessment to the vendor at his address as indicated in Town records. If payment is not made within ten (10) days from the date of mailing, the Town may proceed as provided in this Section or otherwise allowed by law to collect such estimate and other amounts due.
4. The tax imposed by this Ordinance shall be a lien upon the goods and business fixtures of the vendor and upon the real property and appurtenant premises at which the taxable transactions occurred. The Town may foreclose such lien in accordance with the law and record notices of such lien in the Dolores County records.
5. The Town may certify the amount of any delinquent taxes as a delinquent charge upon the property at which the taxable transaction occurred to the County Treasurer for collection in the same manner as delinquent general ad valorem taxes are collected.
6. Any person convicted of violation of any provision of this Ordinance may be sentenced to a fine not to exceed one thousand (\$1,000) dollars for each twenty-four (24) hour period during which said business is conducted without such payment shall constitute a separate offense and violation of this Ordinance. The Town may revoke the business license of any vendor or person convicted of violating any provision of this Ordinance.

Section 3. This Ordinance shall take effect immediately upon final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY THIS 18TH DAY OF MAY 2022.

TOWN OF RICO, COLORADO



Nicole Pieterse, Mayor


ATTEST:



Anna Wolf, Town Clerk


THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY THIS 15TH DAY OF JUNE 2022.

TOWN OF RICO, COLORADO



Nicole Pieterse, Mayor

ATTEST:



Anna Wolf, Town Clerk

Effective Date: June 15, 2022