

ORDINANCE NO. O-2018 -12

AN ORDINANCE AMENDING SECTION 23-71 OF THE CODE OF ORDINANCES OF THE CITY OF DURANGO FOR PURPOSES OF MAKING THAT SECTION CONSISTENT WITH THE BALLOT LANGUAGE APPROVED BY VOTERS IN 2015 EXTENDING AND AMENDING THE ONE-HALF CENT SALES TAX ORIGINALLY APPROVED IN 1999, AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the eligible electors of the City of Durango approved a ballot issue at the general municipal election on April 7, 2015, wherein the electors approved an extension of the expiration date of the 1999 one-half cent sales tax and made amendments to the authorized uses of those funds; and

WHEREAS, Section 23-71 of the Code was adopted to create a special fund to administer the sales tax revenues generated by the original 1999 one-half cent sales tax; and

WHEREAS, staff discovered that the language of Section 23-71 of the Code should be amended to make it consistent with provisions of the 2015 ballot question, including amending the expiration date of the tax and amending the authorized uses for the extended tax; and

WHEREAS, the City has been collecting and applying the re-authorized sales tax in a manner consistent with the 2015 Ballot approval; and

WHEREAS, a public hearing has heretofore been held before the City Council, and the Council has determined, subsequent to said hearing, that amendments to Section 23-71 of the Code to make that section consistent with the language in 2015 Ballot Issue 1-A would be in the best interests of the citizens of the City of Durango;

NOW, THEREFORE, THE CITY OF DURANGO HEREBY ORDAINS:

Section 1. That §23-71 of Chapter 23 of the Code of Ordinances of the City of Durango should be and the same is hereby amended, in its entirety, to read as follows:

Sec. 23-71. 2015 Sales Tax Fund.

(a) *Fund created.* There is hereby established a segregated fund of the city to be known as the “2015 Sales Tax Fund.” From and after April 7, 2015, immediately upon receipt or collection thereof, a sum equal to the tax revenues received by the city from collection of city’s sales tax and use tax imposed by Chapter 23 of the Code of Ordinances of the City of Durango, and resulting from the extension of the increased sales and use tax rate from two percent (2%) to two and one-half percent (2½%) which was originally approved by the registered electors of the city effective June 1, 1999 and extended by the registered electors effective April 7, 2015, shall be credited to said fund.

(b) *Use of funds restricted.* In accordance with the ballot measure approved by the registered electors of the city on April 7, 2015, funds deposited to the 2015 Sales Tax Fund shall be expended for no purposes other than the following:

- (1) For costs of issuance and payment of debt, including any necessary reserves, used to finance the costs of construction and development of the community recreation center;
- (2) Any revenues remaining after the repayment of the bonds authorized in the 1999 election used to finance the costs of construction and development of the community recreation center shall be used to fund the costs of the construction, operations or maintenance of recreation facilities, parks, trails, pedestrian and bicycle improvements, maintenance facilities used by the parks and recreation department, and the urban forest.

(c) *Funds not to be pledged or expended for general purposes.* Monies credited to the 2015 Sales Tax Fund shall not be available to be pledged or expended for any general purposes of the city.

(d) *Termination date of sales and use tax increase.* The increase in the sales and use tax rate from two percent (2%) to two and one-half percent (2½%), originally approved by the registered electors of the city in 1999, and extended by the electors at the general municipal election of April 7, 2015, shall terminate December 31, 2039.

Section 2. Ratification of actions Any and all actions taken by the City or expenditure of funds under the provisions of the 2015 Ballot Issue extending the 1999 one half cent sales tax are hereby found to be consistent with the provisions of this Ordinance and are hereby ratified.

Section 3. This ordinance shall become effective ten (10) days after its passage and final publication as provided by law.

STATE OF COLORADO)
) ss.
COUNTY OF LA PLATA)

I, Amy Phillips, City Clerk of the City of Durango, La Plata County, Colorado, do hereby certify that Ordinance No. O-2018-12 was regularly introduced and read at a regular meeting of the City Council of the City of Durango, Colorado on the 5th day of June, 2018, and was ordered published in accordance with the terms and conditions of the statutes in such cases made and provided, in the Durango Herald, a newspaper of general circulation, on the 9th day of June, 2018, prior to its final consideration by the City Council.

City Clerk

I further certify that said Ordinance No. O-2018-12 was duly adopted by the Durango City Council on the 18 day of June 2018, and that in accordance with instructions received from the Durango City Council, said ordinance was published by title only in the Durango Herald on the 23rd day of June, 2018.

City Clerk