

**City of Salida, Colorado
Ordinance No. 05
Series of 2026**

An Ordinance of the City of Salida, Colorado Amending the Salida Municipal Code with Regard to the Disposition of Revenue

WHEREAS, the City of Salida (“City”) is a statutory city, duly organized and existing under the laws of the state of Colorado; and

WHEREAS, pursuant to C.R.S. § 31-20-101 *et seq.*, the City has the authority to levy taxes and allocate those funds for public wellbeing; and

WHEREAS, the City has created numerous funds for specific public purposes which are delineated in Article II of Chapter 4 of the Salida Municipal Code (“Code”); and

WHEREAS, the Code further delineates how the revenue generated from sales taxes will be used in Article III of the Chapter 4 of the Code; and

WHEREAS, in a review of the Code a minor clerical error was discovered that shows a discrepancy between the special funds and how the sales tax is to be applied to the Economic Development Fund; and

WHEREAS, it is necessary to make minor amendments to the Code to correct the clerical error.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, THAT:

Section 1. The foregoing recitals are incorporated herein as conclusions, facts, determinations, and findings by Council.

Section 2. Section 4-3-50, entitled “Disposition of revenue” of the Salida Municipal Code is hereby amended to read as follows:

Sec. 4-3-50. – Disposition of revenue.

- (a) No less than thirty-two percent (32%) of proceeds received from the three percent (3%) sales tax imposed by the City of Salida shall be deposited into the Streets Fund and used solely for the construction, operation, maintenance and repair of city streets and street-related infrastructure as defined herein, or to pay debt service on bonds or other obligations of the City issued to provide for such streets and street-related infrastructure as defined herein. For purposes of this Section "street" is defined in Section 1-2-10 of the Salida Municipal Code, except that said definition of street for this Section shall not be interpreted to include recreational trails. "Street-related infrastructure" includes,

- curbs, gutters, sidewalks, storm drainage systems, and water or sewer lines underlying or running along streets as defined herein. The terms "construction, operation, maintenance and repair" may apply to capital projects or operating projects. If used for operating projects, expenditures shall be applied only to costs that are traceable directly to the authorized work (e.g., in-house or contracted labor and materials for street maintenance or repair). It shall not be used to cover Public Works departmental overhead, allocated costs or work not done on streets and street-related infrastructure.
- (b) Up to eight percent (8%) of proceeds received from the three percent (3%) sales tax imposed by the City of Salida shall be allocated to the Capital Improvement Fund to be used to provide capital improvements, as defined herein, other than streets, as defined herein, or to pay debt service bonds or other obligations of the City issued to provide for such capital improvements. "Capital improvements" is defined as expenditures on items or improvements over five thousand dollars (\$5,000.00) and with a useful life of longer than three (3) years, including, by way of example, machinery, vehicles, equipment, facilities and public improvements. For purposes of this Section, allowable expenditures from the Capital Improvement Fund include, but not be limited to: 1) paying the costs of acquiring or constructing any capital improvement; 2) acquiring land or equipment; 3) the costs associated with issuing bonds or other obligations; 4) the costs of capitalized interest and reserves; and 5) the costs of operating and maintaining the capital improvements to be provided.
 - (c) Up to ~~ten percent (10%)~~ **two percent (2%)** of the proceeds received from the three percent (3%) sales tax imposed by the City of Salida shall be allocated to the Economic Development Fund to be used, as approved by City Council, for economic development purposes. "Economic development purposes" includes, but is not limited to, the creation of affordable and sustainable housing and to the support of efforts to improve the standard of living of the community through the creation of jobs, the support of innovation and new ideas, the creation of greater net wealth; and the improvements to quality of life.
 - (d) Any proceeds from the sales tax for restricted spending or special revenue funds which are received and not spent within the same fiscal year shall be retained in the fund to which it is deposited or allocated and spent only for the purposes defined for that fund in future years.
 - (e) All other proceeds received from the three percent (3%) sales tax imposed by the City of Salida shall be allocated to the General Fund for General Fund purposes as established by local, state or federal laws, rules, regulations or policy.

Section 3. Severability: The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause, or portion of this Ordinance as determined by a Court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

INTRODUCED ON FIRST READING, on the 20th day of January, 2026, ADOPTED and ORDERED PUBLISHED IN FULL in a newspaper of general circulation in the City of

Salida by the City Council on the 23rd day of January, 2026, and set for second reading and public hearing on the 3rd day of February, 2026.

INTRODUCED ON SECOND READING, FINALLY ADOPTED and ORDERED PUBLISHED BY TITLE ONLY, by the City Council on the 3rd day of February, 2026.

CITY OF SALIDA, COLORADO

Mayor

[SEAL]

ATTEST:

City Clerk/Deputy Clerk

PUBLISHED IN FULL in the Mountain Mail after First Reading on the 20th day of January, 2026, and BY TITLE ONLY, after final adoption on the 3rd day of February, 2026.

City Clerk/Deputy City Clerk