

**ORDINANCE NO. 423**

AN ORDINANCE OF THE CITY OF CREEDE, A COLORADO TOWN, IMPLEMENTING THE PROVISIONS OF BALLOT ISSUE 1 APPROVED BY THE CITY’S ELECTORS AT THE CITY ELECTION HELD APRIL 7, 2020 BY PROVIDING FOR A TWO PERCENT INCREASE IN THE RATE OF THE TOWN SALES TAX AND LIMITING THE USE OF REVENUES GENERATED FROM SUCH TAX INCREASE; DECLARING AN EMERGENCY AND SETTING FORTH DETAILS IN RELATION THERETO.

WHEREAS, the City of Creede, Colorado, a Colorado Town (the "Town"), is a statutory municipality organized and operating under the laws of the State of Colorado;

WHEREAS, the Town presently imposes a sales tax at the rate of 2.0% pursuant to Section 4-3-30 of the Municipal Code of the City of Creede (the “Code”); and

WHEREAS, at an election on April 7, 2020 (the “Election”), the following Ballot Issue 1 amending the Town’s sales tax rate (the “Ballot Issue”) was approved by a majority of the eligible electors of the Town voting on the Ballot Issue:

SHALL CITY OF CREEDE TAXES BE INCREASED \$300,000 (ESTIMATED FIRST FULL FISCAL YEAR DOLLAR INCREASE) ANNUALLY THROUGH A RATE INCREASE OF 2.00% IN THE TOWN SALES TAX (WHICH REPRESENTS A TWO CENT INCREASE ON EACH DOLLAR) COMMENCING JULY 1, 2020 WITH 100% OF THE REVENUES FROM THE SALES TAX RATE INCREASE TO BE DEPOSITED INTO THE CAPITAL IMPROVEMENT FUND AND EXPENDED FOR CAPITAL IMPROVEMENT PURPOSES; AND SHALL ALL TAX REVENUES DEPOSITED IN SAID FUNDS AND ALL EARNINGS THEREON (REGARDLESS OF AMOUNT) CONSTITUTE A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

WHEREAS, the results of the Election were duly canvassed and declared, and the Executive Director of the State Department of Revenue has been notified of the tax increase which is to become effective July 1, 2020; and; and

WHEREAS, the Board of Trustees of the Town (the “Board”) desires to memorialize the provisions of the Ballot Issue through the adoption of this Ordinance amending the Creede Municipal Code (the “Municipal Code”);

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE CITY OF CREEDE, COLORADO THAT:

**Section 1. Amendment of Creede Municipal Code Section 4-2-30.** Section 4-2-30 of the Municipal Code is hereby amended to read as follows:

There is hereby created a special fund, to be known as the Capital Improvements Fund. All revenue received by the City as a result of the one-percent increase in local sales tax

implemented by Ordinance 236, 1983 and the two-percent increase in local sales tax implemented by Ordinance 423, 2020, shall be deposited in this Fund, and the resulting revenue shall be appropriated solely for capital improvements, as allowed by law.

**Section 2. Amendment of Creede Municipal Code Section 4-3-30.** Section 4-2-30 of the Municipal Code is hereby amended to read as follows:

There is hereby imposed on all sales of tangible personal property at retail and the furnishing of certain taxable services, as defined herein, a tax equal to four percent (4%) of the gross receipts of said sales.

**Section 3. Ratification of Creede Municipal Code.** Except for the provisions of the Municipal Code modified as provided herein, all remaining provisions of the Municipal Code are hereby ratified and remain in full force and effect.

**Section 4. Headings.** The headings to the various sections and paragraphs to this Ordinance have been inserted solely for the convenience of the reader, are not a part of this Ordinance, and shall not be used in any manner to interpret this Ordinance.

**Section 5. Severability.** Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair, or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

**Section 6. Emergency Declaration; Effective Date.** The Board desires to ensure that the construction of necessary improvements to supplement the existing System may be financed as soon as possible, which activities cannot occur without passage of this Ordinance. The use of an emergency provision in this Ordinance will enable the City to complete the financings which must occur prior to such construction activities; therefore, it is hereby declared that an emergency exists, that this Ordinance is necessary for the immediate preservation of the public peace, and that this Ordinance shall be in full force and effect immediately after passage, as provided by law.

INTRODUCED, APPROVED, PASSED ON FIRST AND FINAL READING, ON THIS 27<sup>th</sup> DAY OF MAY 2020.

By  \_\_\_\_\_  
Mayor Pro Tempore Teresa Wall

ATTEST:

By  \_\_\_\_\_  
City Deputy Clerk