

ORDINANCE NO. 331

AN ORDINANCE OF THE TOWN OF IGNACIO, COLORADO, APPROVING THE BALLOT QUESTION TO BE SUBMITTED TO THE REGISTERED ELECTORS OF THE TOWN OF IGNACIO AT THE REGULAR ELECTION ON APRIL 03, 2018, ON THE ISSUE OF THE APPROVAL OF AN ADDITIONAL ONE PERCENT SALES TAX, WITH SUCH AMOUNTS TO BE PLEDGED TO THE TOWN OF IGNACIO CAPITAL IMPROVEMENTS PROJECTS FUND.

WHEREAS, the Town of Ignacio (the "Town"), is a Colorado statutory town duly organized and existing under laws of the State of Colorado; and

WHEREAS, the members of the Board of Trustees of the Town (the "Board of Trustees") have been duly elected and qualified; and

WHEREAS, the Board of Trustees has completed a Capital Improvement Plan, which has identified and prioritized numerous capital improvements throughout the Town of Ignacio; and

WHEREAS, the funding for completing the identified and prioritized capital improvement projects, and other capital projects deemed essential by the Board of Trustees is deficient; and

WHEREAS, pursuant to applicable law, including but not limited to Article 2 of Title 29, Colorado Revised Statutes, the Town is authorized to adopt a municipal sales tax and has previously adopted upon voter approval a permanent municipal sales tax of two percent (2.0%); and

WHEREAS, the Board of Trustees has determined that a one percent increase in the Town's sales tax will generate funds to help alleviate the deficiency in all capital improvements funding; and

WHEREAS, Article X, Section 20 of the Colorado Constitution ("TABOR") requires voter approval for, among other things, any new or increased tax; and

WHEREAS, TABOR requires the Town to submit ballot issues (as defined in TABOR) to the Town's electors on limited election days before action can be taken on such ballot issues; and

WHEREAS, April 3, 2018, is the date of the regular municipal election in the Town and one of the election dates at which ballot issues may be submitted to the eligible electors of the Town pursuant to TABOR; and

WHEREAS, the Board of Trustees desires to approve the specific ballot language to be submitted to the registered electors of the Town;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF IGNACIO, COLORADO, AS FOLLOWS:

**Section 1.** Article 3 of Chapter 9 of the Ignacio Municipal Code, regarding the sales tax levy, is hereby amended to read as follows:

1. Section 9-3-17 is amended to read as follows:

9-3-17 Imposition of Sales Tax

There is hereby imposed on all sales of tangible personal property or taxable services a tax equal to three percent (3%) of the gross receipts, which three percent shall be the total of the one percent tax imposed by Ordinance No. 331 (the 2018 Sales Tax Ordinance), and the two percent sales tax imposed by prior Town Ordinances. The imposition of the tax on individual sales shall be in accordance with schedules set forth in the rules and regulations promulgated by the Department of Revenue, or by separate ordinance of the Town of Ignacio. The entire 3 % sales tax, including such increases in revenues and any investment income thereon shall be collected, spent and retained along with all other funds and revenue sources in 2018 and every year thereafter as a voter approved revenue and spending change notwithstanding any state revenue or expenditure limitation, including those in Article X, Section 20 of the Colorado Constitution.

2. Section 9-3-27 is amended to read as follows:

9-3-27 Election

Before the sales tax ordinance enacted by the Board of Trustees on December 12, 2017 shall become effective, it shall receive the approval of a majority of the qualified electors of the Town of Ignacio at the regular election to be held on April 03, 2018.

3. Section 9-3-28 is amended to read as follows:

9-3-28 Effective Date

If approved by the electors, the sales tax ordinance approved on April 03, 2018, shall become effective July 01, 2018. To the extent not specifically amended by the 2018 Sales Tax Ordinance, the Town of Ignacio's prior ordinances regarding the imposition of sales tax in the Town of Ignacio shall remain in force and shall govern the issuance of licenses, election and administration of the sales tax imposed herein.

4. There shall be a new Section 9-3-29, as follows:

9-3-29 Pledge of Revenues

The revenues generated by the additional one percent sales tax imposed by the Town of Ignacio on July 01, 2018, are hereby pledged to the Town of Ignacio Capital Improvement Projects fund created in section 9-3-30 below.

5. There shall be a new Section 9-3-30, as follows:

## 9-3-30 Creation of Town of Ignacio Capital Improvement Projects fund

The Town of Ignacio Capital Improvement Projects fund is established as a special fund of the Town for purpose of receiving pledged funds from the additional one percent tax as provided in Section 9-3-29, or for receiving funds from any other source deemed appropriate from time to time by the Board of Trusts, to be used solely for the purposes of capital improvements projects approved by the Board of Trustees. Funds may be expended for any purpose which directly or indirectly benefits or supports any Town capital improvement project approved by the Board of Trustees, including but not limited to expenditures for infrastructure or improvements of any kind, administrative or support costs, management, engineering, surveying , geotechnical, legal or other costs related thereto, property acquisition costs, easement costs, installation of utilities or telecommunications, costs for signage, lights, storm water, and drainage, landscaping or other similar improvements associated with capital improvement project.

**Section 2.** Total Town tax revenues produced by this one percent sales tax increase are estimated to increase by up to \$225,000 in 2019, the first full year in which the sales tax provided for in this ordinance is in effect. However, the revenues from said sales tax may be collected, retained and spent regardless of whether said revenues, in any year after the first full year in which said sales tax is in effect, exceed the estimated dollar amount stated above, and without any other limitation or condition, and without limiting the collection or spending of any other revenues or funds by the Town of Ignacio, under Article X, Section 20 of the Colorado Constitution or any other law.

**Section 3.** Section 1 and 2 of this ordinance shall not take effect unless and until a majority of the registered voters voting at the regular municipal election on April 3, 2018 vote “yes” in response to the following ballot title, which title is hereby set and referred to the ballot at said election:

### BALLOT QUESTION 1.A:

SHALL THE TOWN OF IGNACIO’S TAXES BE INCREASED BY \$225,000 IN 2019 (FIRST FULL FISCAL YEAR OF SUCH TAX INCREASE), AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER, BY IMPOSING, COMMENCING JULY 1, 2018, AN ADDITIONAL ONE PERCENT (1%) SALES TAX; PROVIDED THAT THE ADDITIONAL ONE PERCENT SALES TAX AUTHORIZED HEREIN SHALL BE APPROVED AND PLEDGED TO THE TOWN OF IGNACIO’S CAPITAL IMPROVEMENTS PROJECTS FUND AND TO BE USED SOLELY FOR CAPITAL IMPROVEMENTS PROJECTS APPROVED BY THE BOARD OF TRUSTEES; AND SHALL THE TOWN’S EXISTING SALES TAX, INCLUDING ANY TAX INCREASE APPROVED HEREIN, AND INCLUDING SUCH INCREASES IN REVENUES AND ANY INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE TOWN AS A VOTER APPROVED REVENUE AND SPENDING CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE RAISING OR OTHER LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND ANY OTHER LAW, AND

WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE TOWN?

**Section 4.** The provisions of this ordinance shall take effect, following passage and approval by the electors of the Town as provided herein, on July 1, 2018.

**Section 5.** If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The Town Board of Trustees and the registered voters of the Town hereby declare that they would have passed and approved this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

**Section 6.** The repeal or modification of any provision of the Municipal Code of the Town of Ignacio by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

**Section 7.** All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

Approved this 12<sup>th</sup> day of December, 2017

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Stella Cox, Mayor

ATTEST:

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