

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: IX.1
Meeting Date: January 16, 2018**

TO: Mayor Sullivan and Members of Board of Trustees

FROM: Kathie Guckenberger, Town Attorney

DATE: January 12, 2018 (prepared for January 16, 2018 meeting)

ITEM: Ordinance 1026: An Ordinance of the Board of Trustees of the Town of Lyons, Colorado Adopting a New Article 10 in Chapter 4 of the Lyons Municipal Code Imposing a Lodging Occupation Tax for the Town of Lyons Effective June 1, 2018 if Approved by the Registered Electors of the Town of Lyons at an Election to be Held on April 3, 2018

ORDINANCE
 MOTION / RESOLUTION
 INFORMATION

- I. **REQUEST OR ISSUE:** Proposed Ordinance No. 1026 (“Ordinance”) amends the Lyons Municipal Code (“LMC” or “Code”) by adding a new Article 10 to Chapter 4 to impose a lodging occupation tax and the means by which such tax shall be administered and enforced. Even if approved, the Ordinance will not take effect unless and until a majority of the registered voters voting at the regular election on April 3, 2018 vote “yes” in response to a ballot question to be referred to the voters pursuant to proposed Resolution 2018-11, which is also on the agenda of the Board of Trustees January 16, 2018 meeting.

Since the Board’s last meeting, Town staff has asked this office to include campsites in the definition of lodging in the Ordinance. As a result, the scope of the proposed Ordinance now includes “campsite,” which is defined as, “a specific site temporarily occupied by a person or group of persons within a campground as defined in [the Lyons Municipal Code].” The proposed Ordinance also includes the Town in the definition of “persons” providing lodging, which will allow the Town to collect a lodging occupation tax on the renting of its own campsites.

Because the Town provides camping facilities and is the destination for several large events that provide camping as lodging for visitors, the Ordinance as currently drafted will allow the Town to account for the impacts of visitors who camp within the Town on the Town’s facilities and services. However, the inclusion of camping in the Ordinance remains a policy decision for the Board. To facilitate the Board’s review of these changes in the proposed Ordinance for second reading, I have included a legislative version of the proposed Ordinance that highlights and underlines the changes, in addition to a clean version of the Ordinance.

II. **RECOMMENDED ACTION / NEXT STEP:** Approve Ordinance No. 1026 on second reading at the January 16 regular meeting.

III. **FISCAL IMPACTS:** There are no immediate budget implications for this Ordinance. However, if the Board of Trustees refers the ballot question set forth in proposed Resolution 2018-11 to the voters, and that question is approved at the April 3, 2018 regular election, the Town will receive additional revenue as a result of the new tax, which may be deployed for any lawful municipal purpose.

IV. **BACKGROUND INFORMATION:**

The Board of Trustees directed staff to prepare a ballot question concerning the imposition of a lodging occupation tax for referral to the Town's registered electors at the April 3, 2018 regular election. If the Board adopts Resolution 2018-11 as it is currently worded, that ballot question is:

SHALL TOWN OF LYONS TAXES BE INCREASED BY \$88,000.00 ANNUALLY (FIRST FULL FISCAL YEAR INCREASE) AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER THROUGH THE ADOPTION A TOWN OCCUPATION TAX ON THE SHORT-TERM RENTAL (LESS THAN 30 CONSECUTIVE DAYS) OF ANY HOTEL ROOM, MOTEL ROOM, LODGING ROOM, MOTOR HOTEL ROOM, GUEST HOUSE ROOM, BED AND BREAKFAST ROOM, CAMPSITE, OR OTHER SIMILAR ACCOMMODATION LOCATED IN THE TOWN IN THE AMOUNT OF THREE DOLLARS (\$3.00) PER DAY EFFECTIVE JUNE 1, 2018, AND SHALL ALL REVENUES DERIVED FROM SUCH OCCUPATION TAX BE COLLECTED AND SPENT ON ANY LAWFUL MUNICIPAL PURPOSE, INCLUDING BUT NOT LIMITED TO THE GENERAL MARKETING AND PROMOTION OF THE TOWN OF LYONS AND THE MARKETING AND PROMOTION OF LYONS SPECIAL EVENTS, WITH SUCH REVENUES TO BE COLLECTED AND SPENT AS A VOTER APPROVED REVENUE CHANGE NOTWITHSTANDING ANY REVENUE OR EXPENDITURE LIMITATIONS CONTAINED IN ARTICLE X SECTION 20 OF THE COLORADO CONSTITUTION?

If the voters approve the ballot question, Ordinance 1026 will take effect on June 1, 2018, which will allow staff additional time to establish processes, forms, and staffing necessary to administer and enforce the tax.

V. **LEGAL ISSUES:** TABOR requires voter approval in advance of any new tax.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A

VII. **SUMMARY AND ALTERNATIVES:** The Board of Trustees has the following options:

(1) Adopt Ordinance No. 1026 on second reading, as may or may not be amended;

(2) Reject or deny the Ordinance.

PROPOSED MOTION: "I MOVE TO APPROVE ORDINANCE 1026, AN ORDINANCE IMPOSING A LODGING OCCUPATION TAX FOR THE TOWN OF LYONS EFFECTIVE JUNE 1, 2018 IF APPROVED BY THE REGISTERED ELECTORS OF THE TOWN OF LYONS AT AN ELECTION TO BE HELD ON APRIL 3, 2018."

Attachment:

Ordinance No. 1026 (for second reading)