

CITY OF STEAMBOAT SPRINGS, COLORADO

ORDINANCE NO. 1868

AN ORDINANCE PROVIDING FOR THE CREATION AND COLLECTION OF AN EXCISE TAX TO BE PAID AT THE TIME OF ISSUING A BUILDING PERMIT TO OFFSET THE COSTS TO THE COMMUNITY CREATED BY NEW CONSTRUCTION; AND IN CONNECTION THEREWITH DEDICATING THE REVENUES GENERATED BY THE EXCISE TAX TO FUNDING THE CONSTRUCTION OF CAPITAL IMPROVEMENT AND INFRASTRUCTURE NEEDS OF THE CITY, INCLUDING, WITHOUT LIMITATION, THE REPAIR, AND REPLACEMENT OF EXISTING CAPITAL IMPROVEMENTS AND INFRASTRUCTURE; REPEALING ALL CONFLICTING ORDINANCES, INCLUDING ORDINANCE NO. 1816 (ESTABLISHING IMPACT FEES), WHICH WAS READ, PASSED, AND ADOPTED AT SECOND READING ON NOVEMBER 6, 2001; ADOPTING A BALLOT QUESTION; SETTING FORTH AN EFFECTIVE DATE; AND PROVIDING FURTHER DETAILS IN RELATION TO THE FOREGOING.

WHEREAS, the City Council of the City of Steamboat Springs believes that New Construction, including renovations and expansion of existing structures, should be charged for the impact that such construction creates on the City's existing capital improvements and infrastructure; and

WHEREAS, the City Council believes that charging 1.2% of the value of the New Construction is rationally related to the City's legitimate governmental purpose of ensuring that the level and quality of the City's capital improvements and infrastructure are not diminished as New Construction occurs; and

WHEREAS, the City Council believes that this Excise Tax can help defray the costs of replacing, and improving the City's capital improvements and infrastructure to keep pace with the increased demands caused by New Development; and

WHEREAS, the City Council believes that the proposed Excise Tax is a better way of mitigating the impacts of New Construction than the current Impact Fee; and

WHEREAS, the City Council believes that if the Excise Tax is approved by the City's electors on November 5, 2002, the Impact Fee should be automatically repealed;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO:

SECTION 1

The City Council finds that this ordinance is necessary for the health, safety, and

welfare, peace, safety and prosperity of the community.

SECTION 2

Chapter 22 of the Steamboat Springs Revised Municipal Code shall be amended by the addition of a new division to read:

DIVISION 6. EXCISE TAX ON NEW CONSTRUCTION

1. Short Title: This ordinance shall be known as the Excise Tax on New Construction.
2. Intent and Findings: The City Council hereby finds and declares that:
 - (a) New Construction, including renovations and expansions to existing structures, should be charged for the impacts that such New Construction places on the City's existing capital improvements and infrastructure;
 - (b) continued demands on the City's capital improvements and infrastructure, without commensurate financial contribution, would adversely affect the public health, welfare, safety, peace, and prosperity in the community;
 - (c) charging 1.2% of the value of the New Construction is rationally related to the City's legitimate governmental purpose of ensuring that the level and quality of the City's capital improvements and infrastructure are not diminished as New Construction occurs;
 - (d) as the value of New Construction increases, there is a corresponding increase in demand on the City's capital improvements and infrastructure;
 - (e) an Excise Tax will help defray the costs of replacing, and improving the City's existing capital improvements and infrastructure to keep pace with the increased demands caused by New Construction and will permit the accrual of funds for the construction of new capital improvements and infrastructure as needed;
 - (f) an Excise Tax is a better way of mitigating the impacts of New Construction than the current Impact Fee; and
 - (g) it is in the best interest of the public health, safety and general welfare of the citizens of the City of Steamboat Springs to create an Excise Tax on New Construction so that New Construction will help pay for the impacts that it creates.
3. Definitions:
 - (a) Building Permit: A Building Permit issued by the Routt County Regional Building Department ("Building Department") permitting the construction of a building or structure within the City of Steamboat Springs.
 - (b) City: The City of Steamboat Springs, Colorado.
 - (c) City Council: The City Council of Steamboat Springs, Colorado.
 - (d) Excise Tax Payer: A person commencing New Construction who is obligated to pay the Excise Tax in accordance with the terms of this ordinance, or who would be obligated to pay the Excise Tax except for an exemption provided for in this ordinance.
 - (e) New Construction: New Construction shall mean any activity that requires the

issuance of a Building Permit, including, without limitation, the construction of residential, multi-family, commercial, industrial, and any other construction activity. New Construction shall include, without limitation, renovations or expansions, or both, to existing structures.

- (f) Qualifying Unit: Every newly constructed single-family, duplex, or multi-family unit with a value, as calculated for purposes of issuing a building permit, of \$250,000 or less.

Capitalized terms used in this ordinance, not defined in this section, shall have the meaning defined in other sections of the Steamboat Springs Municipal Code.

4. Excise Tax: As a condition precedent to the issuance of a building permit for any New Construction, the person seeking the issuance of the Building Permit, the Excise Tax Payer, shall pay an Excise Tax to the City equal to 1.2% of the valuation of the New Construction, as that value is established by the Building Department.

5. Separate Fund: The Director of Financial Services (“Director”) shall deposit the proceeds of the Excise Tax on New Construction into the City’s Capital Project Fund to be used in accordance with the provisions of this Division.

6. Dedication of Funds: The revenues generated from the Excise Tax shall be used only for the construction of capital improvements and infrastructure needs of the City, including, without limitation, new capital improvements and major repairs, replacement of existing capital improvements and infrastructure, and for no other purpose.

7. Exemptions: The following categories of New Construction are exempt from the payment of the Excise Tax established in this Division:

(a) New Construction to be built by the federal government, the State of Colorado, the City, Routt County, or the RE-2 School District.

(b) New Construction of a Dwelling Unit in which the Excise Tax Payer will reside in the Dwelling Unit, if the Excise Tax Payer meets all of the following requirements:

- (i) If the Dwelling Unit is also a Qualifying Unit, the first \$150,000 of the building permit value shall be exempt from the Excise Tax;
- (ii) The Dwelling Unit will be the sole residence of the Excise Tax Payer or the person(s) purchasing from the Excise Tax Payer; and
- (iii) The Excise Tax Payer, or person(s) purchasing from the Excise Tax Payer, must be employed or self-employed in Routt County. Where the Excise Tax Payer is unable to verify to the satisfaction of the City, at the time of the issuance of the issuance of the building permit, that the purchaser of the Dwelling Unit qualifies for an exemption under the provisions of this section, the Excise Tax Payer shall pay the Excise Tax but may apply for and receive a rebate of the exemption amount at the time of sale of the Dwelling Unit to a person(s) qualifying for an exemption under this

section.

- (c) The City Council shall have the authority, in its sole discretion, to adopt regulations requiring the recapture of exempted and unpaid excise tax if, within three years of the issuance of a building permit for a Qualifying Unit, the Qualifying Unit is sold (a) to a person for whom the Qualifying Unit is not the "sole residence", or (b) to a person who is not employed or self-employed in Routt County.
8. Repeal of Ordinance No. 1816: Upon the approval of this Excise Tax on New Construction by the City electors at the November 5, 2002 special municipal election, Ordinance No. 1816, also known as the Development Impact Fee Ordinance (Sections 17-202 through 17-210 of the Steamboat Springs Revised Municipal Code), shall be deemed repealed as of midnight December 31, 2002.
9. Codification: Upon adoption by the voters, the provisions of this Excise Tax shall be codified and renumbered into the appropriate section(s) of the Steamboat Springs Revised Municipal Code.

SECTION 3

A special municipal election shall be held in the various precincts and at the polling places of the City of Steamboat Springs, County of Routt and State of Colorado, on Tuesday, the 5th of November, 2002, between the hours of 7:00 A.M. and 7:00 P.M., to be held in a coordinated election with the County of Routt pursuant to Intergovernmental Agreement.

SECTION 4

The ballot title for this proposed Excise Tax shall be as follows:

"SHALL THE CITY OF STEAMBOAT SPRINGS TAXES BE INCREASED BY \$275,000 ANNUALLY, THE PASSAGE OF WHICH SHALL AUTOMATICALLY REPEAL THE EXISTING IMPACT FEE, COMMENCING JANUARY 1, 2003, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, FROM AN EXCISE TAX TO BE ASSESSED AGAINST NEW DEVELOPMENT AT THE RATE OF 1.2% OF THE ESTIMATED CONSTRUCTION COSTS AS MORE SPECIFICALLY SET FORTH IN ORDINANCE 02-____, ADOPTED BY THE CITY COUNCIL, AND SUBJECT TO APPROVAL OF THIS BALLOT ISSUE, AND USED TO OFFSET THE COSTS TO THE COMMUNITY CREATED BY NEW CONSTRUCTION BY FUNDING THE CONSTRUCTION OF CAPITAL IMPROVEMENTS AND INFRASTRUCTURE NEEDS OF THE CITY; AND, IN CONNECTION THEREWITH SHALL THE CITY OF STEAMBOAT SPRINGS BE ENTITLED TO COLLECT AND SPEND ALL REVENUES FROM SUCH TAX REGARDLESS OF WHETHER THE ANNUAL REVENUES FROM SUCH TAX IN ANY YEAR AFTER THE FIRST FULL YEAR IN WHICH IT IS IN EFFECT EXCEED THE ESTIMATED DOLLAR AMOUNT STATED ABOVE, AND WITHOUT LIMITATION OR CONDITION, AND WITHOUT LIMITING THE COLLECTION OR SPENDING OF ANY

OTHER REVENUES OR FUNDS BY THE CITY OF STEAMBOAT SPRINGS UNDER ARTICLE X, SECTION 20, OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?".

Yes _____

No _____."

SECTION 5

If any section, subsection, clause, phrase, or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent, be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated.

SECTION 6

This ordinance, if duly adopted by the City Council according to the Charter, shall take effect on January 1, 2003, but only if, on November 5, 2002, the qualified electors of the City approve this ordinance by voting for the ballot question authorizing the City of Steamboat Springs to impose the Excise Tax for New Construction.

INTRODUCED, READ AND ORDERED PUBLISHED, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the 16st day of July, 2002.

**Kathy Connell, President
Steamboat Springs City Council**

ATTEST:

Julie Jordan, City Clerk

FINALLY READ, PASSED AND APPROVED this ____ day of _____, 2002.

**Kathy Connell, President
Steamboat Springs City Council**

ATTEST:

Julie Jordan, City Clerk