

ORDINANCE NO. 14-41

AN ORDINANCE AMENDING SECTIONS 501 (LICENSE REQUIRED) AND 502 (APPLICATION; RENEWAL; CONTENTS) AND REPEALING SECTION 503 (LICENSE FEES) OF PART 5 (LICENSES) OF ARTICLE 7 (SALES AND USE TAX) OF CHAPTER 2 (BUSINESS LICENSING, LIQUOR REGULATION AND TAXATION) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO SALES TAX LICENSE FEES

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

Section 1. Section 501 (License Required) of Part 5 (Licenses) of Article 7 (Sales and Use Tax) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.7.501: LICENSE REQUIRED:

A. Unless specifically exempted by this City Tax Code, any person who sells tangible personal property or taxable services subject to the tax imposed by this City Tax Code shall possess a sales tax license for each location at which business is transacted. Except for a temporary sales tax license, which shall be valid for the dates specified on the license, a sales tax license shall be valid from its effective date through December 31 of the odd numbered year. **Upon conviction of a violation of this subsection 2.7.501A, the penalty shall be a fine of twenty dollars (\$20.00). The general penalty provision of this Code shall not apply to any conviction of a violation of this subsection 2.7.501A.**

* * *

D. The license imposed by this City Tax Code shall be in addition to all other licenses imposed by law, except as otherwise provided.

Section 2. Section 502 (Application; Renewal; Contents) of Part 5 (Licenses) of Article 7 (Sales and Use Tax) of Chapter 2 (Business Licensing, Liquor

Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

2.7.502: APPLICATION; RENEWAL; CONTENTS:

A. The Director shall process a sales tax license application only upon ~~the payment of the sales tax license fee and~~ the filing of an application that states the name, address, and other contact information of the person or business desiring the license; the nature of the business; and any other information required by the Director for the purpose of enforcing this City Tax Code.

B. At any time within ninety (90) days prior to the expiration of the current license, a licensee may apply for a license renewal for the succeeding license period ~~and pay the required fee.~~

C. Whenever any renewal application ~~and accompanying fee payment~~ is not received on or before the expiration date of any license issued for the current license period, and the licensee continues to sell tangible personal property or taxable services, ~~an additional penalty of fifty percent (50%) of the amount of the license renewal fee~~ **twenty dollars (\$20.00)** shall be imposed and collected. The Director shall be authorized to waive or adjust any or all of this penalty whenever the Director determines the delinquency is not the fault of the licensee and to collect or require payment of the penalty would be an injustice.

* * *

Section 3. Section 503 (License Fees) of Part 5 (Licenses) of Article 7 (Sales and Use Tax) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is repealed in its entirety.

Section 4. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by charter.

Section 5. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance shall be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this
24th day of June, 2014.

Finally passed: July 8, 2014



Keith King, Council President

Delivered to Mayor on _____.

Mayor's Action:

- Approved on _____
- Disapproved on 7.9.2014, based on the following objections: expressed in the Mayor's Disapproval by Veto, dated July 9, 2014 attached hereto and incorporated herein.



Steve Bach, Mayor

Council Action After Disapproval:

- Council action on _____ failed to override the Mayor's veto.
- Finally adopted on a vote of _____, on _____.

Keith King, Council President

ATTEST:

Sarah B. Johnson, City Clerk



July 9, 2014

Mayor's Disapproval by Veto of Ordinance No. 14-41, passed on July 8, 2014, Attached and Incorporated into Ordinance No. 14-41

Honorable President and Members of City Council:

Consistent with Charter Section 3-70 (e), I hereby exercise my authority to veto City Council Ordinance No. 14-41. This disapproval is based upon the objections set forth herein.

Ordinance No. 14-41 is one of four contemporaneously passed ordinances by City Council, all of which are calculated to eliminate most City licensing fees for businesses operating within the City. While the sentiment behind these ordinances of being "business friendly" is laudable, the ordinances represent a piecemeal approach to a larger issue and will create a significant revenue loss for the City.

The City Clerk is presently undertaking a comprehensive review of City licensing requirements and the appropriateness of license fees relative to the cost of administering such business licenses. This review includes looking at innovative ways to address these matters, and the best practices of successful cities. That detailed review should be allowed to proceed and may lead to the adjustment of fees based upon actual cost, recommendations to follow different procedures, or possibly even the elimination of licensing altogether for some types of businesses.

The ordinances passed by Council still require licensing, but without any fees to cover the costs which would still be borne by the Clerk and other departments of the City. This loss of \$400,000 in fees creates a hardship for the Clerk's office, and would be added to other budget shortfalls the City now faces.

Additionally, the elimination of all license fees effectively shifts the costs incurred by the City in issuing licenses and enforcing regulations from the licensed businesses to the City's general taxpayers. It is neither fair nor appropriate for all the taxpayers to pay the costs of regulating businesses that serve customers representing only a portion of the taxpaying public. Moreover, this is not a sound practice for government to follow.

I must therefore disapprove and veto Ordinance No. 14-41.

Sincerely,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Steve Bach
Mayor of the City of Colorado Springs