

**ORDINANCE NO. 1
SERIES OF 2023**

**AN ORDINANCE OF THE TOWN OF CARBONDALE, COLORADO, IMPOSING
A TAX OF SIX PERCENT UPON SHORT-TERM RENTALS**

WHEREAS, pursuant to Article III of the Carbondale Home Rule Charter, the Board of Trustees is authorized to adopt and enforce such ordinances as may be required to protect the public health, safety, and welfare; and

WHEREAS on August 23, 2022, the Town passed Ordinance No. 8, Series of 2022, submitting to the registered electors of the Town a ballot question for the general municipal coordinated election on Tuesday, November 8, 2023 the issue of whether in connection with local licensing for short-term residential rentals, the Town should impose an additional tax of 6% (this tax would be in addition to the Town's existing lodging tax); and

WHEREAS, on November 8, 2022, a majority of the registered electors approved the 6% additional short-term rental tax; and

WHEREAS, in order to implement this additional voter-passed tax on short-term rentals within the Town, the Carbondale Municipal Code (the "Code") must be amended to provide for the levy and collection of these taxes; and

WHEREAS, pursuant to Ordinance No. 2, Series of 2022, the Board of Trustees adopted a new Article 10 of Chapter 6 of the Code, which Article 10 is known and cited as "Short-Term Rental Licenses," which allowed short-term residential rentals to operate in the Town of Carbondale after August 1, 2022, provided that the property owner obtain and maintain a local short-term rental license; and

WHEREAS, the Board of Trustees otherwise finds and determines that it is appropriate to adopt regulations setting forth the rules and regarding short-term rental taxes.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF CARBONDALE, COLORADO:

SECTION 1: Chapter 4 of the Town of Carbondale Municipal Code is amended by adding a new Article 9 to read as follows, to become effective April 1, 2023:

ARTICLE 9 – Short-Term Rental Tax

Sec. 4-9-10. - Purpose.

The purpose of this Article is to impose a short-term rental tax on the gross rental price paid by customers of short-term rentals, inclusive of any surcharges or fees.

Sec. 4-9-20. - Definitions.

For the purpose of this Article:

Short-term rental is defined in Section 6-10-20 of this Code, as such may be amended from time to time.

Sec. 4-9-30. - Tax imposed.

There is hereby imposed on all short-term rentals an additional tax equal to six percent (6.0%) of the gross rental price paid by any customer of any short-term rental, inclusive of any surcharges or fees. This tax shall be in addition to any lodging tax due pursuant to Article 5 of this Chapter 4, as amended from time to time.

Sec. 4-9-40. - Licensee liable for tax.

Each holder of a short-term rental license pursuant to Article 10 of Chapter 6 of this Code shall collect the tax imposed in Section 4-9-30. The burden of proving that any transaction is not subject to the tax imposed by this Chapter is upon the person upon whom the duty to collect the tax is imposed.

Sec. 4-9-50. - Taxes collected are held in trust.

All sums of money paid by any customers of any short-term rentals as taxes pursuant to this Article 9 of Chapter 4, including but not limited to any such taxes paid for short-term rentals prior to April 2, 2023, are public monies that are the property of the Town. Any persons required to collect and remit these taxes shall hold such monies in trust for the sole use and benefit of the Town until paying them to the Town's Finance Director.

Sec. 4-9-60. - Collection, administration and enforcement.

The collection, administration and enforcement of this short-term rental tax shall be performed by the Finance Director. The Finance Director is hereby authorized to adopt and promulgate additional rules and regulations to govern the collection, administration and enforcement of the short-term rental tax imposed by this Article.

Sec. 4-9-70. - Use of revenues.

The revenues derived from this short-term rental tax shall be used primarily to fund the promotion, regulation, development and protection of affordable and attainable housing, projects and programs, including capital expenditures.

Sec. 4-9-80. - Confidentiality.

The Finance Director and other employees of the Town shall use their best efforts to prevent the dissemination of confidential information regarding individual taxpayers to any person not an official or employee of the Town, which information identifies or permits the identification of the amount of short-term rental tax collected or paid by any individual taxpayer.


Sec. 4-9-90. - Lien on property.

If any person fails to pay short-term rental when due, in addition to any penalties, interest and late fees that may be imposed, the Town may issue a notice setting forth the name of the taxpayer, the amount of the short-term rental tax owed, and the date of the accrual thereof, and stating that the Town claims a first and prior lien therefor on the real property where the licensed short-term rental unit is located, except as to preexisting liens of a bona fide mortgagee, pledgee, judgment creditor or purchaser, which right has attached prior to the filing of the notice as hereinafter provided. The notice shall be on forms prepared by the Finance Director, and, when filed in the Office of the Clerk and Recorder of Garfield County, Colorado, such notice shall create a lien as aforesaid on such property and constitute notice thereof.

SECTION 2: This Ordinance shall become effective on April 1, 2023 after posting and publication in accordance with the Carbondale Home Rule Charter.

INTRODUCED, READ AND PASSED this 24th day of January, 2023 by a vote of 5 to 0.

THE TOWN OF CARBONDALE



Ben Bohmfalk, Mayor

ATTEST:



Cathy Derby, Town Clerk

