

**CITY OF SALIDA, COLORADO
RESOLUTION NO. 48
SERIES OF 2023**

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO
EXPRESSING ITS OPPOSITION OF BALLOT QUESTION 300, REPLACING AND
REDUCING THE ANNUAL FEE AND NIGHTLY OCCUPATIONAL LODGING TAX
FOR SHORT TERM RENTALS**

WHEREAS, in 2022, Salida City Council submitted ballot questions to the voters (Ordinance 2022-17) asking if they wanted to see an annual \$1000 license tax on all short-term rental licenses (Question 2A) and raising the occupational lodging tax on short-term rentals to \$15 per night, per room (Question 2B); and

WHEREAS, proceeds from 2A were estimated to raise up to \$275,000 and proceeds from 2B were estimated to raise up to \$525,000, totaling up to \$800,000; and

WHEREAS, both questions were approved by voters – 2A by a margin of 55% yes/45% no, and 2B by a margin of 51% yes/49% no; and

WHEREAS, the City began collecting these taxes on January 1, 2023. The City has collected \$493,963 through short-term rental occupational lodging taxes for the first two quarters of 2023 and is on track to generate close to the \$800,000 originally estimated, to be used towards affordable workforce housing; and

WHEREAS, the City has identified three primary affordable housing projects where the funds could be used over the next several years, including, 1st and D Workforce Housing (estimated to cost approximately \$8m); South Arkansas Neighborhood infrastructure and housing (approximately \$7m for Phase 1); and Potential Low-income Housing Tax Credit/Senior Living Project (purchase of land approximately \$350,000); and

WHEREAS, Question 300 asks voters to adopt an annual license fee of \$540.00, to be paid by non-Chaffee County residents only; who own short term rental properties in the City and setting the occupational lodging tax for all short term rental license holders to \$5.00 per occupied bedroom, per night; and

WHEREAS, a “Yes” vote on Question 300 would repeal and replace 2A and 2B and the revenues generated therein for affordable housing (currently projected up to \$800,000), down to \$297,000 – a \$504,000 reduction from current revenue projections. A “No” vote on Question 300 would keep the present taxes intact; and

WHEREAS, the City believes that the \$540 license tax associated only with out-of-county license holders is unconstitutional. If Question 300 passes, the per night rate will be reduced to \$5 and the \$1000 license tax will be repealed. The City could ask a Court to

determine the legality of the new license tax rate. If the Court determines that the license tax rate associated with out-of-County license holders is unconstitutional, there will be no license tax on either in-County or out-of-County license holders. The tax rate will not revert back to the \$1000 per license holder, thus diminishing the revenue collected to approximately \$195,333.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO THAT:

Section 1. The foregoing recitals are hereby incorporated as conclusions, facts, determinations, and findings of the City Council.

Section 2. This resolution hereby formally opposes Question 300 which will be presented to the voters on November 7, 2023

RESOLVED, APPROVED, AND ADOPTED this 17th of October, 2023.

City of Salida



Dan Shore, Mayor

ATTEST:



City Clerk/Deputy City Clerk