# TOWN OF LA JARA

# ORDINANCE NO. 2021 - 2

**AN ORDINANCE OF THE TOWN OF LA JARA, COLORADO, AMENDING Section 37.22, concerning sales tax licenses, and amending section 110.05, concerning business license fees, of the town code.**

**WHEREAS**, the Town of La Jara, Colorado (the “Town”) is a Statutory Town under the laws of the State of Colorado, and not a home rule municipality; and

**WHEREAS**, the Town’s sales tax is collected by the Department of Revenue, pursuant to state law, C.R.S. § 29-2-106(1); and

**WHEREAS**, state law requires any person engaged in the business of selling at retail to obtain a sales tax license and such licenses are granted and issued by the executive director of the department of revenue, see C.R.S. § 39-26-103(1)(a) and 1 CCR 201-4, Rule 39-26-103(1); and

**WHEREAS**, each state sales tax license is tied to a “location code,” which represents the geographic region of the state and for which the local sales taxes are collected and remitted, C.R.S. § 39-26-103(2.5)(b); and

**WHEREAS**, while the Department of Revenue collects most sales taxes, home rule jurisdictions can — and have — “exercised their constitutional authority to establish their own sales and use tax systems, including their own *licensing requirements*, rates, taxable and nontaxable items, and definitions,” C.R.S. § 39-26-801(1)(b) (italics added); and

**WHEREAS**, home rule municipalities have the option of locally collecting their sales tax, see C.R.S. § 29-2-106(4)(a)(I);

**WHEREAS**, “[m]unicipalities utilizing local collection commonly require retailers without a fixed business location in the taxing jurisdiction to nonetheless attain a municipal sales tax license and collect the tax owed on the sales of good delivered to municipal residents,” Municipal Taxes and Fees (CML, Jan. 2018), pg. 13; and

**WHEREAS**, by statute, “[t]he executive director of the department of revenue shall cooperate with and assist local governments in the development of a uniform local government sales and use tax license application form,” C.R.S. § 29-2-106(9)(d)(III), but here, “local government” means “a city, home rule city, town, city and county, or other political subdivision of the state *which collects its own sales or use tax*,” C.R.S. § 29-2-106(9)(d)(I) (italics added); and

**WHEREAS**, the Town of La Jara seeks to remove the fee for issuing a sales tax license (currently $10.00), as it does not collect the sales, but increase the business license fees from $10.00 to $50.00 for a regular business, $75.00 for a regular business license if paid after March 1, and a Street Vendor License of $25.00 so that the fees better reflect the administrative costs to the Town.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA, COLORADO, AS FOLLOWS:**

**Section 1. Amendments for Sales Tax License:** Section 37.22(A)-(G), of the Code of Ordinances (or, the corresponding portions of Ordinances 2000-4 and 2000-5), concerning sales tax licenses, is hereby repealed.

**Section 2. Amendments for Business License Fee:** 110.05(A), (C), of the Code of Ordinances (or, the corresponding portions of Ordinances 1986-1), concerning business license fees, is hereby amended (amendments are in bold and highlighted):

(A) *Amount.* The license fee for the annual business license shall be **$50** for each license year for a regular business. The license fee for a Street Vendor shall be $25.00 annually.

. . .

(C) *Annual renewal.* It shall be the duty of each licensee to obtain an annual renewal of such license by payment of the annual license fee of **$50** to the Town Clerk on or before March 1. Whenever any application and licensing payment therefor is not received on or before March 1 for the current year and the licensee continues to engage in the business or activity for which the license was issued, the fee will increase to **$75.00**. It is unlawful for a licensee to continue to engage in any business or activity after his or her license therefor has expired.

**Section 3. Effective Date:** This ordinance shall take effect more than thirty (30) days after adoption, on November 18, 2021.

**INTRODUCED, READ, APPROVED, AND ORDERED PUBLISHED BY THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA AT A REGULARLY SCHEDULED MEETING OF THE BOARD AT WHICH A MAJORITY OF THE BOARD WAS PRESENT THIS 18th DAY OF NOVEMBER 2021.**

**TOWN OF LA JARA, COLORADO**

By Paula Medina

Mayor

ATTEST:

By: Shawn Pagnotta

Town Clerk