

ORDINANCE NO. 1159 (2024)

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF CRAIG, COLORADO AMENDING A PORTION OF CHAPTER 3.16 OF THE CRAIG MUNICIPAL CODE CONCERNING SALES TAX TO CHANGE REGISTRATION LANGUAGE TO LICENSING FOR SALES TAX ACCOUNTS.

WHEREAS, Colorado Municipal League has recommended municipalities to use the terminology “license” in reference to sales tax;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG, COLORADO AS FOLLOWS:

Section 1: Chapters/sections 3.16.052, 3.16.110, 3.16.120, 3.16.160, and 3.16.230 and noted subsections of those chapters/sections are hereby amended to read as follows:

3.16.052 Marketplace Sales Section A(5) is amended as follows:

(5) A marketplace sale that is not facilitated by a ~~registered~~ **licensed** marketplace facilitator in a marketplace, the marketplace seller is subject to all the same ~~registered~~ **licensing**, collection, remittance, filing, and recordkeeping requirements as any other retailer

3.16.110 Sales Tax ~~Registration~~ **Licensing is amended as follows:**

- A. Except as provided in this Article, any person engaged in business in the City must first register on the forms provided by the City. No sales tax ~~account license~~ shall be required for any governmental agency or charitable organization which is exempt from the Sales Tax under this Article. Governmental agencies or charitable organizations which are exempt from the Sales Tax on the purchases of tangible personal property, the collection, reporting and payment of appropriate Sales Taxes to the City is required on the sale or auction of tangible personal property even when used for the purpose of not-for-profit fundraising, whether or not a sales tax ~~registration~~ license has been performed.
- B. When business is transacted by one (1) person at two (2) or more separate locations inside the City, a single ~~registration license~~ may occur, but shall list all locations for each place of business.
- C. Persons for whom ~~registration~~ **licensing** is required shall first submit to the Finance Director an application on forms to be provided by the City, providing the name and address of the person requesting such ~~account license~~; the name of the business being ~~registered~~ **licensed** and the character thereof; the location, including the physical address and mailing address of such business; and such other information as the Finance Director may require.
- D. ~~Registration Licensing~~ shall be in effect perpetually until the business requests account closure or the ~~Finance Director~~ cancels ~~registration the license~~.
- E. No ~~registration license~~ shall be transferable. After any sale or acquisition of a business, the new owner shall complete a new ~~registration license~~.
- F. Cancellation. The Finance Director may cancel any ~~registration~~ **license** for the following reasons:
 - 1. Upon receipt of a written notice that the taxpayer is no longer engaged in business in the City.
 - 2. Upon the taxpayer's failure to respond to three (3) consecutive notices of delinquency.

- G. The Finance Director shall give notice to the taxpayer that the **registration license** has been cancelled. Notice shall be in writing, served on the taxpayer in person by an officer of the City Police Department, or delivered by certified mail or any combination of those notification procedures.
- H. Revocation. The Finance Director may, after a reasonable notice and a full hearing, issue a finding and order to revoke the **registration license** of any person found to have violated any provision of this Article.
- I. Appeal. Any person may appeal a finding and order revoking their **registration license** in District Court pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure.
- J. No taxpayer shall continue engaging in business in the City after his or her **registration license** has been cancelled or revoked.

3.16.120 Audit of Record subsection B is amended as follows

B. *Coordinated audit.* Any taxpayer **registered licensed** in the City pursuant to this chapter and holding a similar sales tax **account license** in at least four (4) other Colorado municipalities that administer their own sales tax collection may request a coordinated audit as provided herein.

1. Within fourteen (14) days of receipt of notice of an intended audit by any municipality that administers its own sales tax collection, the taxpayer may provide to the Finance Director, by certified mail, return receipt requested, a written request for a coordinated audit indicating the municipality from which the notice of intended audit was received and the name of the official who issued such notice. Such request shall include a list of those Colorado municipalities utilizing local collection of their sales tax in which the taxpayer holds a current sales tax **account license** and a declaration that the taxpayer will sign a waiver of any passage of time-based limitation upon the City's right to recover tax owed by the taxpayer for the audit period.
2. Except as provided in Subsection (5) below, any taxpayer who submits a complete request for a coordinated audit and promptly signs a waiver of any statute of limitations may be audited by the City during the twelve (12) months after such a request is submitted only through a coordinated audit involving all municipalities electing to participate in such an audit.
3. If the City desires to participate in the audit of a taxpayer who submits a complete request for a coordinated audit pursuant to Subsection (1) above, the **City** Finance Director shall so notify the **Finance Director** or other proper authority of the municipality whose notice of audit prompted the taxpayer's request for a coordinated audit. The **City** Finance Director shall cooperate with other participating municipalities in arranging the time in which the coordinated audit will be conducted, the period of time to be covered by the audit and a coordinated notice to the taxpayer of those records most likely to be required for completion of the coordinated audit.
4. If the taxpayer's request for a coordinated audit was in response to a notice of audit issued by the City, the Finance Director shall facilitate arrangements between the City and other municipalities participating in the coordinated audit, unless and until an official from some other participating municipality agrees to assume this responsibility. The **City** Finance Director shall cooperate with other participating municipalities to, whenever practical, minimize the number of auditors that will be present on the taxpayer's premises to conduct the coordinated audit on behalf of the participating municipalities. Information obtained by, or on behalf of, those municipalities participating in the coordinated audit may be shared only among such participating municipalities.

5. If the taxpayer's request for a coordinated audit was in response to a notice of audit issued by the City, the Finance Director shall, once arrangements for the coordinated audit between the City and other participating municipalities are completed, provide written notice to the taxpayer of which municipalities will be participating, the period of time to be audited and the records most likely to be required by the participating municipalities for completion of the coordinated audit. The **City** Finance Director shall also propose a schedule for the coordinated audit.

3.16.160 Tax Deficiencies and Penalties Section A is amended as follows:

- A. If any taxpayer neglects or refuses to obtain a sales tax **account license**, the amount of tax due shall be estimated, based upon such information as may be available, and a notice of assessment shall be issued.

E. *Penalties.* A penalty shall be levied for any tax deficiency.

1. *Penalty for late payment.* For transactions consummated after the effective date of the chapter codification herein, the penalty for late payment shall be **ten fifteen** dollars (~~\$10.00~~ **\$15.00**) or ten percent (10%) of the tax deficiency, whichever is greater. Additionally, **one one and a half** percent (~~1%~~ **1½%**) of the tax deficiency per month from the date when due, not exceeding eighteen percent (18%) in the aggregate, shall be assessed.

3.16.230 Violations, Enforcement and Penalty Section A is amended as follows:

- A. It shall be a violation of this Chapter to fail to perform any applicable affirmative duty specified in this Chapter, including but not limited to:
 1. The failure of any person engaged in business in the City to obtain applicable sales tax **accounts license**.
 2. The failure of any taxpayer to file a timely return or to make timely payment of any tax due.
 3. The making of any false or fraudulent statement by any person in any return, claim for refund or hearing.
 4. The evasion of collection of any sales or use tax by any person or the aiding or abetting of any other person in an attempt to evade the timely payment of tax due.

Section 2. All ordinances heretofore passed and adopted by the City Council of the City of Craig, Colorado, are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict herewith.

Section 3. 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 effect, and shall be in no way affected, impaired, voided, or invalidated.

Section 4. The City Council hereby finds, determines and declares that this Ordinance is necessary for the immediate preservation of the public peace, health and safety.

Section 5. The City Council deems it appropriate to publish the title of this Ordinance, together with a summary of the Ordinance and with the statement that the text is available for public inspection and acquisition in the office of the City Clerk.

Section 6. This Ordinance shall take effect immediately upon the expiration of ten (10) days from and after its publication following final passage, as provided in Article 2, Section 14 of the City of Craig Home Rule Charter.

READ, APPROVED AND ORDERED PUBLISHED ON FIRST READING THIS 12TH
DAY OF NOVEMBER, 2024 BY THE CITY COUNCIL OF THE CITY OF CRAIG, COLORADO.

Chris Nichols, Mayor

ATTEST:

Liz White, City Clerk

Votes in favor: ____
Votes opposed: ____
Abstained: ____

FOLLOWING SECOND READING AND PUBLIC HEARING, PASSED AND BE IT ORDAINED BY
THE CITY COUNCIL OF THE CITY OF CRAIG THIS 26TH DAY OF NOVEMBER, 2024.

Chris Nichols, Mayor

ATTEST:

Liz White, City Clerk

Votes in favor: ____
Votes opposed: ____
Abstained: ____