

**TOWN OF MEAD, COLORADO
ORDINANCE NO. 981**

**AN ORDINANCE OF THE TOWN OF MEAD, COLORADO, AMENDING
SECTIONS 4-4-40, 4-4-80, 4-4-90 AND 4-4-100 OF THE MEAD MUNICIPAL
CODE TO CODIFY AN INCREASE IN THE TOWN'S SALES AND USE TAX
PURSUANT TO VOTER APPROVAL GRANTED ON NOVEMBER 2, 2021**

WHEREAS, the Town Board of Trustees has previously codified Article IV of Chapter 4 of the *Mead Municipal Code* titled "Sales and Use Tax"; and

WHEREAS, Article X, Section 20 of the Colorado Constitution, known as the Taxpayer's Bill of Rights ("TABOR") requires voter approval in advance for any new tax; and

WHEREAS, the Board of Trustees referred ballot issue 2D to the Town voters at the November 2, 2021 special coordinated election; and

WHEREAS, at said election, ballot issue 2D was approved, authorizing Town sales and use taxes to be increased up to \$2,900,000 annually in the first fiscal year by increasing the rate of sales tax and use tax from two percent (2%) to three percent (3%), with 100% of the proceeds of the additional one percent (1%) sales and use taxes to be used exclusively to pay for street improvements in the Town of Mead; and

WHEREAS, ballot issue 2D contains language requiring that the revenues generated by the additional 1% sales and use tax be retained in a segregated account separate from all other Town financial accounts and be used only to pay for street improvements in the Town; and

WHEREAS, ballot issue 2D provides that the 1% sales and use tax increase, if approved by voters, would be effective on January 1, 2022; and

WHEREAS, in order to codify the approval granted by the voters, the Board of Trustees desires to amend Section 4-4-40 (amount of tax), Section 4-4-80 (relationship to other sales and use tax), Section 4-4-90 (Regulations, amendment procedure), and Section 4-4-100 (allocation) of the *Mead Municipal Code* in order to provide for collection of such taxes as of January 1, 2022, all as authorized by the approval of ballot issue 2D at the November 2, 2021 coordinated special election,

NOW THEREFORE, BE IT ORDAINED by the Board of Trustees of the Town of Mead, Weld County, Colorado, that:

Section 1. Recitals Incorporated. The recitals contained above are incorporated herein by reference and are adopted as findings and determinations of the Board of Trustees.

Section 2. Section 4-4-40 of the *Mead Municipal Code* is amended to read as follows with

deletions shown in strikethrough and italics and additions shown in underline and bold:

Sec. 4-4-40. Amount of tax.

(a) **Commencing on January 1, 2022,** ~~There~~ is imposed on all sales of tangible personal property at retail or furnishing of services in the Town, except as provided herein, a tax equal to ~~two~~**three** percent (~~23~~**33**%) of the gross receipts of:

- (1) All retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his or her agent to a destination outside the limits of the Town or to a common carrier for delivery to a destination outside the limits of the Town. The gross receipts from such sales shall include delivery charges when such charges are subject to the state sales and use tax imposed by Article 26 of Title 39, C.R.S., regardless of the place to which delivery is made. If a retailer has no permanent place of business in the Town or has more than one (1) place of business, the place at which the retail sales are consummated for the purpose of a sales tax imposed by this Article shall be determined by the provisions of Article 26 of Title 39, C.R.S., and by rules and regulations promulgated by the Department of Revenue.
- (2) The amount subject to tax shall not include the amount of any sales or use tax imposed by Article 26 of Title 39, C.R.S.

(b) **Commencing on January 1, 2022,** ~~There~~ is imposed a use tax on the use or consumption of any construction and building materials purchased at retail or for the privilege of storing, using or consuming in the Town any motor or other vehicles, purchased at retail on which registration is required, of ~~two~~**three** percent (~~23~~**33**%) except as otherwise provided herein, but the amount subject to tax shall not include the amount of any sales or use tax imposed by Article 26 of Title 39, C.R.S.

(c) Thirty-three and 33/100 percent (33.33%) of the revenues generated by the sales tax imposed pursuant to subsection (a) above and thirty-three and 33/100 percent (33.33%) of the revenues generated by the use tax imposed pursuant to subsection (b) above shall be deposited in the Town of Mead Street Improvement Fund as referenced in Sec. 4-3-50 of this Code and shall be used exclusively to pay for street improvements in the Town of Mead and never be transferred into the Town General Fund or used for any purpose other than street improvements.

Section 3. Section 4-4-80 of the *Mead Municipal Code* is amended to read as follows with deletions shown in strikethrough and italics and additions shown in underline and bold:

Sec. 4-4-80. - Relationship to other sales and use tax.

The total sales tax or total use tax imposed by state, county and local governments shall not exceed eight percent (8%), **unless approved by voters in**

accordance with the provisions of Article X, Section 20 of the Colorado Constitution.

Section 4. Section 4-4-90 of the *Mead Municipal Code* is amended to read as follows with deletions shown in strikethrough and italics and additions shown in underline and bold:

Sec. 4-4-90. - Regulations, amendment procedure.

The Board of Trustees may amend, alter or change this Article, except as to the ~~two~~**three**-percent rate of tax herein imposed and except as to the funds allocated to the ~~capital~~ **street** improvement ~~street~~-fund subsequent to adoption by a majority of the Board of Trustees. Such abatement, alteration or change need not be submitted to the electors of the Town for their approval.

Section 5. Section 4-4-100 of the *Mead Municipal Code* is amended to read as follows with deletions shown in strikethrough and italics and additions shown in underline and bold:

Sec. 4-4-100. - Allocation.

~~One half (1/2) of the total sales and use tax revenues generated by the sales and use tax shall be specifically allocated to a sale and use tax capital improvement fund for the purpose of construction, maintenance and servicing of streets in the Town for a period of ten (10) years from the implementation of the tax. Thereafter, all funds generated by the sales and use tax shall be deposited to the general fund~~**One hundred percent (100%) of the revenues generated by the additional one percent (1%) sales and use tax approved by voters at the November 2, 2021 special coordinated election shall be deposited into the Town of Mead Street Improvement Fund and shall be used exclusively to pay for street improvement projects.**

Section 6. Effective Date. This ordinance shall be published and become effective as provided by law.

Section 7. Severability. If any part, section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining sections of the Ordinance. The Board of Trustees hereby declares that it would have passed the ordinance including each part, section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more part, section, subsection, sentence, clause or phrase is declared invalid.

Section 8. Repealer. All ordinances or resolutions, or parts thereof, in conflict with this ordinance are hereby repealed, provided that such repealer shall not repeal the repealer clauses of such ordinance nor revive any ordinance thereby.

Section 9. Certification. The Town Clerk shall certify to the passage of this ordinance and make not less than one copy of the adopted Code available for inspection by the public during regular business hours.

INTRODUCED, READ, PASSED, AND ADOPTED THIS 29TH DAY OF NOVEMBER, 2021.

ATTEST:

By: 
Mary E. Strutt, MMC, Town Clerk



TOWN OF MEAD

By: 
Colleen G. Whitlow, Mayor