



FRUITA COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

DATE: NOVEMBER 21, 2023

AGENDA TEXT: ORDINANCE 2023-15 – Introduction of an Ordinance amending Chapter 3.18 of the Fruita Municipal Code concerning exclusions for the sale or purchase of lodging and amending the definition of lodging for public hearing on December 19, 2023

BACKGROUND

The City of Fruita implemented a lodger's tax in 1996 on the sale of lodging in the City of Fruita. In 1998 the ordinance was amended to exclude the collection of lodging tax on sales by the United States Government, State of Colorado or political subdivision of the State in order to facilitate the development of the James M. Robb Colorado River State Park by Colorado Parks and Wildlife. Effective July 1, 2023 rules were adopted by the Colorado Department of Revenue clarifying definitions of accommodations and negating the need for this exclusion. Both sales and lodger's taxes are currently being remitted to the City by Colorado State Parks and Wildlife.

In addition, the definition of lodging needs to be updated to include short-term rentals, auto camps and bed and breakfast establishments.

FISCAL IMPACT

The applicability of lodger's tax on sales by the US Government, State and other political subdivisions will result in increased revenue to the City.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The removal of this exclusion will provide fair and equitable treatment of all establishments providing similar services in the City.

OPTIONS TO THE COUNCIL:

- Publish notice of public hearing on the proposed ordinance as presented or with amendments
- No action (Deny the resolution and lease agreement)

RECOMMENDATION:

It is the recommendation of staff that the Council by motion:

PUBLISH NOTICE OF PUBLIC HEARING ON ORDINANCE 2023-15 AMENDING CHAPTER 3.18 OF THE FRUITA MUNICIPAL CODE CONCERNING EXCLUSIONS FOR THE SALE OR PURCHASE OF LODGING AND AMENDING THE DEFINITION OF LODGING, TO BE HELD ON DECEMBER 19, 2023