



## REQUEST FOR CITY COUNCIL ACTION

Meeting Date: March 2, 2021

<b>ORIGINATING DEPARTMENT:</b> City Clerk's Office	<b>PRESENTED BY:</b> Erin Kelley
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**ITEM: Ordinance 2021-02, Amending Chapter 6 of the Salida Municipal Code concerning Business Licensing and Regulations generally, including Marijuana and Short-Term Rentals**

**BACKGROUND:**

Through their daily work with certain city business licenses, the City Clerk and Deputy City Clerk have observed some practical areas for improvement within Salida Municipal Code, Chapter 6, Article III and Article VI, regarding marijuana licenses and short-term rental licenses, respectively.

The City Clerk's office and City Attorney have also noted updates to state law, which necessitate certain amendments to these Articles.

These amendments include deleting the requirement for a Colorado state sales tax license in our Short-Term Rental License applications. It also includes amending the renewal requirements for marijuana licenses, to be compliant with state law, as well as resolve inconsistencies within our current municipal code.

Finally, the City's 2018 special election changed the City Clerk position from part-time elected, to full-time appointed job. Therefore, it makes sense to conform Chapter 6 to officially grant the City Clerk's duties as it relates to business licensing.

**FISCAL NOTE:** None anticipated

**STAFF RECOMMENDATION:**

Staff recommends approval of Ordinance 2021-02 on second reading.

**SUGGESTED MOTIONS:**

Following a Public Hearing a Council Person should make a motion to approve Ordinance 2021-02, on second reading, followed by a second and a roll call vote.

**CITY OF SALIDA, COLORADO  
ORDINANCE NO. 02  
SERIES OF 2021**

**AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO  
AMENDING CHAPTER 6 OF THE SALIDA MUNICIPAL CODE CONCERNING  
BUSINESS LICENSING AND REGULATIONS GENERALLY, AND INCLUDING  
MARIJUANA LICENSING, AND SHORT-TERM RENTAL BUSINESS LICENSES**

**WHEREAS**, the City of Salida, Colorado (“City”) is a statutory city, duly organized and existing under the laws of the state of Colorado; and

**WHEREAS**, pursuant to C.R.S. § 31-15-401, the City by and through its City Council (“Council”), possesses the authority to adopt laws and ordinances within its police power in furtherance of the public health, safety and welfare; and

**WHEREAS**, pursuant to Title 31, Article 15 of the Colorado Revised Statutes, the City also possesses the authority to license and regulate businesses; and

**WHEREAS**, pursuant to this authority, the City has previously adopted certain provisions concerning business licenses and regulations within Chapter 6 of the Salida Municipal Code (“Code”), including Article III, concerning Marijuana, and Article VI, concerning short-term rental licenses; and

**WHEREAS**, through observing the processes provided for in Article VI of the Code concerning short-term rental licenses, along with its practical application and limitations, staff within the City Clerk’s office has recommended the removal of the requirement for a Colorado state sales tax license, which the State of Colorado has deemed unnecessary for such purposes, and which City staff has found it therefore confusing for licensees and potential applicants; and

**WHEREAS**, through also observing the processes provided for in the Article III of the Code concerning renewal of marijuana licenses, along with its practical application, as well as relatively recent amendments to the Colorado Revised Statutes, staff within the City Clerk’s office and the City Attorney has recommended amendments to Code requirements surrounding such renewal applications, in order to be compliant with State law; and

**WHEREAS**, Council, along with City staff, now also finds it efficient and desirable to streamline its Business Licensing Chapter 6 of the Code, to clean up some inconsistencies and to resolve and make conforming amendments in connection with same; and

**WHEREAS**, Council has conducted its review of the issues, and find that it would further the public health, safety and welfare of the residents, businesses and customers of Salida to amend Chapter 6, as provided below.

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

**Section 1.** The aforementioned recitals are hereby fully incorporated herein.

**Section 2.** Section 6-6-20 of the Salida Municipal Code, regarding Short-Term Rental Licensing limitations and requirements, is hereby amended to read as follows:

**Sec. 6-6-20. – Licensing; Limitations; Requirements**

- (a) It shall be unlawful for any person or entity to engage in the short-term rental business without first applying for and procuring a license from the City Administrator. The initial license fee, renewal license fee and penalty for operating without a license shall be established by resolution of City Council, as may be amended from time to time, and payable annually in advance.
- (b) Upon approval of a business license pursuant to this Article, the City Administrator shall issue a business license number to each short-term rental business.
- (c) Short-term rental businesses shall include their business license number in the title of the listing for all public advertising, including but not limited to webhosting services such as Airbnb, Home Away, Trip Advisor, VRBO, etc.
- ~~(d) An applicant shall not be granted a short-term rental license without submitting a copy of a valid Colorado sales tax license for rental activity, or a pending application, specific to the property being rented. If the property is owned or managed by a property management company, that entity must obtain a Colorado sales tax license specific to the taxing jurisdiction of the City of Salida.~~
- (e) Applications for a short-term rental license shall be submitted on a completed form provided by the City, and the City shall accept no incomplete applications. Applications shall include all information required on the form, ~~including, but not limited to, a copy of the applicable sales tax license.~~
- (f) Each licensee shall submit to the City, on a yearly basis, and upon renewal, an affidavit, signed by the licensee and notarized, attesting to the duration and frequency of the prior year's short term rental history, as well as confirmation of payment of all applicable sales and occupational lodging taxes.

**Section 3.** Chapter 6, Article VI is hereby renamed as follows:

**ARTICLE VI. – SHORT-TERM RENTAL BUSINESS LICENSE**

**Section 4.** Section 6-3-110 of the Salida Municipal Code, regarding duration and renewal of marijuana licenses, is hereby amended to read as follows:

**Sec. 6-3-110. – Duration of license; renewal.**

- (a) Each license issued pursuant to this Article shall be valid for one (1) year from the date of issuance, and may be renewed as provided in this Section.

- (b) An application for the renewal of an existing license shall be made to the Local Licensing Authority ~~not less than forty five (45) days~~ prior to the date of expiration. No application for renewal shall be accepted by the Local Licensing Authority after such date.
- (c) The provisions of Sections 6-3-30 through 6-3-90, inclusive, shall apply to the processing of an application to renew a license unless specifically waived by the Local Licensing Authority based upon no changed circumstances. The timely filing of a renewal application shall extend the current license until a final decision is made on the renewal application, including any appeal of the City Administrator's decision to the City Council.
- (d) The applicant shall at the time of an application to renew a license not be delinquent on any applicable City's fees or taxes.
- (e) At the time of the filing of an application for the renewal of an existing license the applicant shall pay a renewal fee in an amount established by resolution of the City Council, as may be amended.
- (f) The Local Licensing Authority may refuse to renew a license for good cause, **after a public hearing, pursuant to the applicable provisions in sections 6-3-30, 6-3-60, 6-3-70, and 6-3-130.**

**Section 5.** Chapter 6 of the Salida Municipal Code is hereby amended as follows:

“City Administrator” shall be struck, and replaced with “**City Administrator or City Clerk.**” in all thirty-five (35) instances where “City Administrator” appears within Chapter 6 of this Code.

**Section 6.** **Severability.** The provisions of this ordinance are severable and the invalidity of any section, phrase, clause or portion of the ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the ordinance.

INTRODUCED ON FIRST READING, on February 16, 2021, ADOPTED and ORDERED PUBLISHED IN FULL in a newspaper of general circulation by the City Council on this 19th day of February, 2021 and set for second reading and public hearing on the 2<sup>nd</sup> day of March, 2021.

INTRODUCED ON SECOND READING FINALLY ADOPTED and ORDERED PUBLISHED IN FULL, by the City Council on this 2<sup>nd</sup> day of March, 2021.

City of Salida

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Mayor P.T. Wood

ATTEST:

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City Clerk/Deputy City Clerk