



2023 Legislative Issue Form

To propose a CCI legislative issue, please complete this form.

Feel free to use more than one page and include any supplemental materials.

1.) **Contact Information** (of person bringing forth issue):

- a. **Name:** George Marlin
- b. **Title:** Commissioner
- c. **County:** Clear Creek
- d. **Phone Number:** (303)949-0980
- e. **E-Mail Address:** gmarlin@clearcreekcounty.us

2.) **Issue/Problem to be addressed** (What is the problem this legislation is seeking to solve?)

The issue is a large gap between Sales tax rates in Municipalities and unincorporated areas. Tax rates in the municipalities are 3-5% higher than those in unincorporated Clear Creek. Counties cannot seek to increase sales taxes in unincorporated areas without increasing rates in the municipal areas that are already high. The most recent calculations estimate that every 1% of sales tax can generate roughly \$1M. That has nearly doubled since last year due to the implementation of wayfair and the continued expansion of economic activity in unincorporated areas. This trend is very likely to exist across the state.

Every county in Colorado struggles to deliver the services that our constituents expect.

As property taxes become uncertain, impacts to unincorporated areas are increasing in many areas of the state. Recreational tourism has been steadily increasing for decades and exploded this summer. Sales tax generating activity has increased as well. Some examples of this activity are Ski Areas, Rental companies, Retail, Short Term Rentals, Truck Stops and Convenience Stores. As has often been discussed, sales taxes provide a way for visitors to pay for the impacts that they create.

The ability to ask for sales tax revenue in unincorporated areas only will give voters more flexibility to structure revenue streams that are fair and provide for effective public services.

Please submit this completed form to Katie First at kfirst@ccionline.org

By Friday, July 8.



3.) **Background on this Issue/Problem** (How did this come to be? Why are you seeking a legislative remedy?)

There is a very large potential source of revenue in unincorporated county areas. In unincorporated Clear Creek County, every 1% of sales taxes generates \$ 1,025,093.75. This tax base is growing faster than the incorporated tax bases as recreational activity increases, online ordering becomes more popular and wayfair is implemented.

2021					
Revenue Potential calculation					
Jurisdiction	collections	Tax rate	Sales tax base	% of tax base	Annual growth
Clear Creek (actual)	\$ 2,354,932.00	1.0%	\$ 235,493,200.00	100%	43%
Idaho Springs (actual)	\$ 3,596,977.00	4.0%	\$ 89,924,425.00	38%	23%
Silver Plume (estimated)	\$ 182,891.36	3.0%	\$ 6,096,378.64	3%	32%
Georgetown (Actual)	\$ 1,520,810.00	4.5%	\$ 33,795,777.78	14%	32%
Empire (estimated)	\$ 306,580.08	5%	\$ 6,131,601.70	3%	32%
unincorporated			\$ 99,545,016.89	42%	77%
Revenue potential at 4% increase			Revenue potential per 1%		
	\$ 3,981,800.68		\$ 995,450.17		

Year	Uninc. Sales	revenue per 1% tax	% growth
2019	\$ 36,466,301.00	\$ 364,663.01	base
2020	\$ 56,143,297.00	\$ 561,432.97	54%
2021	\$ 102,509,375.00	\$ 1,025,093.75	83%

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4.) **Have you explored a non-legislative solution to this problem?**

The is a local solution is to have every municipality in the county agree to lower their tax rate voluntarily upon a promise by the county to remit what would have been collected at the higher rate back to the municipality. This solution requires complicated ballot language that will be difficult to pass. It is far less efficient than simply giving counties and our constituents this flexibility.

5.) **Statutory Citation to be modified AND proposed/revised language (The Colorado Revised Statute is available for free at [this link](#), by selecting “Colorado Revised Statutes”).**

Proposed Solution/Legislative Remedy (Please provide the specific statutory citation your board is requesting to modify AND the proposed language you are requesting.)

We propose the strikethrough as indicated below:
29-2-103:

(1) Each county in this state is authorized to levy a county sales tax, use tax, or both in accordance with the provisions of this article. No proposal for a county sales tax, use tax, or both shall become effective until approved by a majority of the registered electors of the county voting on such proposal pursuant to [section 29-2-104](#). Such a proposal for a sales tax, use tax, or both, upon approval by a majority of the registered electors voting thereon, shall be effective throughout the incorporated and unincorporated portions of the county except when less than countywide application is authorized pursuant to subsection (2) of this section.

(2) A county may levy a sales tax, use tax, or both, in whole or in part, in less than the entire county ~~when the following conditions are met:~~

~~(a) Deleted by [Laws 2008, Ch. 264, § 4, eff. Aug. 5, 2008.](#)~~

~~(b) The area to be excluded from the tax levy is comprised solely of a portion of a municipality whose boundaries are located in more than one county; and~~

~~(c) All other counties in which a portion of the municipality described in paragraph (b) of this subsection (2) is located have agreed to provide fair compensation to the county for any services extended to such municipality as a result of revenues derived from the county tax levy from which the municipality is excluded.~~

(3) The approval provisions of subsection (1) of this section, the restrictions on contents of sales or use tax proposals set forth in [section 29-2-105](#), and the collection procedures of [section 29-2-106](#) shall apply to county sales or use taxes or both levied pursuant to subsection (2) of this section.

6.) **Relationship of this issue to County Commissioner’s roles and/or authorities.**

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County Commissioners approve all ballot measures. This would expand our ability to propose taxation alternatives to our communities.

7.) **Has this proposal been approved by the Board of County Commissioners?**

Yes

8.) **List any potential Proponents/Opponents & their perspective; indicate any groups/individuals with whom you have already discussed this issue.**

Department of revenue views this change as conflicting with the momentum towards simplifying Sales and Use Taxes. They have reduced the total number of location codes from 900 to 400 and have concerns that this could cause the number to grow by more than 64. It will be important to devise guardrails to make sure that this would allow for the creation of no more than one additional location code per county.

9.) **Have you visited with your legislator(s) about this proposal? What was their reaction? Are members of your delegation likely to sponsor, support, or oppose this proposal?**

10.) Legislators respond with excitement and caution to this idea. The momentum toward simplification of sales & use tax is a challenge, but framing those efforts as an effort to make taxation fairer and more effective puts this proposal in a better light. It is not simplification but it will enhance the fairness and effectiveness of our tax system.

11.) **Anticipated Fiscal Impact (to counties, state, other stakeholders, etc.).**

The fiscal impact would be positive. This could give communities access to a robust and growing revenue stream. There will likely be a one-time state fiscal impact and a possibly a marginal ongoing fiscal impact.

12.) **Please list the local subject matter experts CCI staff can follow-up with for more information on this proposal.**

George Marlin

13.) **If your county is submitting multiple issue forms, please rank each issue.**

#1

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