



## ORDINANCE NO. 10-1503

### **AN ORDINANCE APPROVING AND ADOPTING A TEMPORARY CREDIT TO PROVIDE OF TWENTY-FIVE PERCENT (25%) REDUCTION OF THE TWO PERCENT (2%) USE TAX IMPOSED AND PAID TO THE CITY UPON RESIDENTIAL CONSTRUCTION INCLUDING RESIDENTIAL IMPROVEMENTS FOR A PERIOD OF TWELVE MONTHS FOR THE PURPOSE OF ENCOURAGING ECONOMIC DEVELOPMENT WITHIN THE CITY OF FOUNTAIN, COLORADO**

WHEREAS, due to current economic conditions the City of Fountain, Colorado (the “City”) is not receiving the number of applications for residential building permits that it has received in the past; and

WHEREAS, the City desires to encourage the construction of residential housing within the City; and

WHEREAS, development of additional residential housing within the City will encourage the development of additional commercial retail development; and

WHEREAS, the City Council concludes that a temporary reduction of twenty-five percent (25%) for a period of twelve months of the amount of use tax imposed and collected upon residential construction including residential improvements will encourage additional residential development in Fountain and also encourage additional commercial retail development in Fountain.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FOUNTAIN:

Section 1. The Whereas clauses are adopted as findings in support of this ordinance from

Section 2. During the effective period of this Ordinance, from July 5, 2010 through July 5, 2011 a credit of twenty-five percent (25%) shall be applied against the use tax imposed and collected by the City pursuant to the City use tax rate of two percent (2%) under Chapter 5.06 of the Fountain Municipal Code for residential construction including residential improvements.

Section 3. The use tax credit of twenty-five percent (25%) authorized under Section 2 of this Ordinance shall be applied by the City against the amount owed by each taxpayer who is obligated to pay the tax pursuant to Chapter 5.06 of the Fountain Municipal Code.

Section 4. The use tax credit of twenty-five percent (25%) authorized by Section 2 of this Ordinance is a temporary credit available only during the period authorized under Section 2 of this Ordinance.

Section 5. The use tax credit of twenty-five percent (25%) authorized by Section 2 of this Ordinance is not a permanent reduction in the City's use tax imposed and collected by the City and is not a reduction in the City use tax rate of two percent (2%) but is a "temporary tax credit" as permitted by TABOR, Section 20 of Article X of the Colorado Constitution

Section 6. On July 7, 2011 and thereafter City use tax at two percent (2%) shall be imposed and collected as authorized Chapter 5.06 of the Fountain Municipal Code without the twenty-five percent (25%) credit set forth in Section 2 of this Ordinance.

Section 7. The temporary use tax credit of twenty-five percent (25%) authorized by Section 2 of this Ordinance does not apply to and is not available for any residential construction including residential improvements within the area described in the U.S. 85 Corridor Urban Renewal Plan Highway Plan approved and adopted by the City Council of the City of Fountain, Colorado on May 27, 2008 pursuant to Resolution 08-038 (the "Urban Renewal Area"). Within the Urban Renewal Area, the City use tax at the rate of two percent (2%) shall apply.

This Ordinance shall be in full force and effect from and after its passage and publication as provided by the City Charter.

Introduced, read by title, and passed this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by City Council, City of Fountain, Colorado, signed by the Mayor, and ordered published by title with a summary written by the City Clerk together with a statement that the Ordinance is available for public inspection and acquisition in the office of the City Clerk in the El Paso County Advertiser and News, a newspaper of general circulation in the City of Fountain, Colorado, in accordance with the City Charter.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Introduced, read by title, and passed on second and final reading on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, signed by the Mayor and ordered published by title in the El Paso County Advertiser and News, a newspaper of general circulation in the City of Fountain, Colorado, in accordance with the City Charter.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk