

**ORDINANCE OF THE
CITY OF LONE TREE**

Series of 2007

Ordinance No. 07-11

AN ORDINANCE AMENDING THE CITY OF LONE TREE MUNICIPAL CODE TO AUTHORIZE RETAILERS TO USE AN ELECTRONIC DATABASE CERTIFIED BY THE COLORADO DEPARTMENT OF REVENUE TO DETERMINE THE JURISDICTIONS TO WHICH TAX IS OWED.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

ARTICLE 1 – AUTHORITY

The City of Lone Tree (the “City”) is a home rule municipality operating under a Charter adopted on May 5, 1998 (the “Charter”). Pursuant to the Charter, the City Municipal Code (the “Code”) and the authority given home rule cities under Colorado law, the City may adopt and amend ordinances.

ARTICLE 2 – DECLARATIONS OF POLICY

- A. Under Colorado’s “point of use” tax system, retailers that do business in multiple jurisdictions are required to collect tax on behalf of the jurisdictions in which they do business, either at fixed locations or where they make deliveries.
- B. Retailers are often unaware, or it is difficult for retailers to determine, exactly in which taxing jurisdiction their delivery is made, resulting in remittance of tax to the wrong municipality.
- C. Use of a State-certified address locator database tells retailers with great accuracy in which municipality they are making a sale or delivery and enables them to properly remit to the correct jurisdiction tax due.
- D. By encouraging retailers to use a State-certified address locator database, the City benefits from receiving the proper tax remittance in the first instance, and avoids forcing retailers to “pay twice” or having to recover payments made to the wrong municipality.

ARTICLE 3 – ADOPTION

The Code is hereby amended to add section 4-3-700 to Chapter 4, Article III, as follows:

A. Section 4-3-700. Remittance of tax. Electronic database. Retailer held harmless.

- (a) Any Retailer that collects and remits sales or use tax to the City Manager as provided in this Chapter 4, Article III may use an electronic database of state addresses that is certified by the Colorado Department of Revenue (DOR) pursuant to section 39-26-105.3, Colorado Revised Statutes (C.R.S.), to determine the jurisdictions to which the tax is owed.
- (b) Any Retailer that uses in good faith the data contained in an electronic database certified by the DOR pursuant to section 39-26-105.3, C.R.S., to determine the jurisdictions to which tax is owed shall be held harmless for any tax, penalty, or interest owed the City but remitted to a different jurisdiction if the error was due solely to inaccurate information in the electronic database and the Retailer demonstrates that it used the most current information available in such electronic database on the date that the sale or delivery occurred.
- (c) Each Retailer shall keep and preserve such records as prescribed by the City Manager to demonstrate that it used the most current information available in the electronic database on the date that the sale or delivery occurred. Notwithstanding any other provision in this section 4-3-700, if the error in remittance of the tax is a result of a deceptive or false representation, or fraud, the provisions of this section 4-3-700 shall not apply.

ARTICLE 4 – PROVISIONS REMAIN EFFECTIVE

Except as expressly amended herein, all provisions of the Code Chapter 4, Article III shall, and do hereby, remain in full force and effect.

ARTICLE 5 – SEVERABILITY

If any part or provision of this Ordinance, or its application to any person or circumstance, is adjudged to be invalid or unenforceable, the invalidity or unenforceability of such part, provision, or application shall not affect any of the remaining parts, provisions or applications of this Ordinance that can be given effect without the invalid provision, part or application, and to this end the provisions and parts of this Ordinance are declared to be severable.

ARTICLE 6 – EFFECTIVE DATE

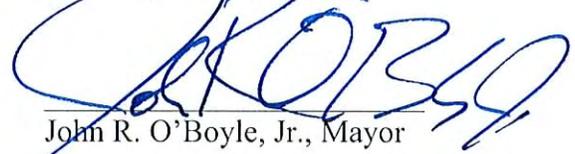
This Ordinance shall become effective thirty (30) days following publication after first reading if no changes are made on second reading, or twenty (20) days after publication following second reading if changes are made upon second reading.

INTRODUCED, READ AND ORDERED PUBLISHED ON JULY 17, 2007.

PUBLISHED IN THE DOUGLAS COUNTY *NEWS PRESS* ON JULY 26, 2007.

APPROVED AND ADOPTED ON SECOND READING THIS 7TH DAY OF AUGUST, 2007.

CITY OF LONE TREE



John R. O'Boyle, Jr., Mayor

ATTEST:


Jennifer Pettinger, CMC, City Clerk

(SEAL)