

**ORDINANCE NO. 1375
SERIES 2026**

**AN ORDINANCE OF THE CITY OF CORTEZ SETTING THE BALLOT TITLE AND
CONTENT FOR VOTER AUTHORIZATION FOR A FOUR PERCENT (4%)
INCREASE IN THE RATE OF THE LODGER'S TAX, SUBMITTING THE BALLOT
ISSUE AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 3, 2026; AND
SETTING FORTH DETAILS IN RELATION THERETO**

WHEREAS, the City of Cortez, Colorado (the "City"), is a Colorado home rule municipality duly organized and operating pursuant to the Constitution and laws of the State of Colorado; and

WHEREAS, the City's mission is to make the City of Cortez a desirable place for families to live and work; and

WHEREAS, in 1979, pursuant to Ordinance No. 537, Series 1979, the City imposed a lodger's tax applicable to persons using commercial lodging accommodations in the City of Cortez (the "Lodger's Tax"); and

WHEREAS, in 1981, pursuant to Ordinance No. 563, Series 1981, the City amended the City Code, Chapter 14A-1 (the "Lodger's Tax Ordinance"), which amongst other changes, increased the Lodger's Tax from one percent (1%) to two percent (2%); and

WHEREAS, since 1981, the City has continued to impose the 2% Lodger's Tax on gross taxable rent for lodging (the "Current Rate"), which Current Rate has not changed in the intervening forty-five (45) years; and

WHEREAS, the City Council has determined that in order to fund additional functions and improve the City's ability to directly invest in economic development and attract tourists, it is necessary to generate revenue via an increase in the Lodger's Tax; and

WHEREAS, the City Council has determined that increasing the Lodger's Tax, which primarily impacts visitors rather than Cortez residents, is the most equitable source for the additional revenue; and

WHEREAS, the City Council desires to increase the Lodger's Tax by four percent (4%), to a total of six percent (6%), which shall be used in its entirety as authorized by the TABOR ballot question set forth in this Ordinance, and as codified in Chapter 14A of the Cortez Municipal Code; and

WHEREAS, Article X, Section 20 of the Colorado Constitution, also referred to as the Taxpayer's Bill of Rights ("TABOR"), requires voter approval for any new tax, any increase in any tax rate, and the spending of certain funds above limits established by TABOR; and

WHEREAS, November 3, 2026, is one of the election dates at which TABOR ballot issues may be submitted to the registered electors of the City pursuant to TABOR; and

WHEREAS, the City Council is of the opinion that it should refer to the voters at the November 3, 2026, election a TABOR ballot issue concerning the imposition of an additional permanent Lodger's Tax of four percent (4%) above the Current Rate (for a total of 6%), commencing January 1, 2027, for the purposes specified in this Ordinance; and

WHEREAS, the City Council finds and determines that the adoption of this Ordinance is necessary for the public's welfare.

NOW THEREFORE, BE IT ORDAINED BY THE CORTEZ CITY COUNCIL AS FOLLOWS:

1. CALLING AND CONDUCT OF THE ELECTION. A coordinated election shall be held on Tuesday, November 3, 2026, at which time there shall be submitted to the qualified electors of the City the TABOR ballot issue set forth in this Ordinance. The cost of the election shall be paid from the City's General Fund, and the City's obligations for payment shall be set forth in an intergovernmental agreement between the City and the Montezuma County Clerk and Recorder. The City Clerk shall serve as the designated election official of the City for the purposes of performing acts on behalf of the City that are required or permitted by law in connection with the election. The officers and employees of the City are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Ordinance and the holding of an election on November 3, 2026.

2. TAX INCREASE BALLOT ISSUE. A ballot issue concerning the Lodger's Tax increase shall be submitted to the eligible electors of the City, which ballot issue shall be in substantially the following form:

SHALL CITY OF CORTEZ TAXES BE INCREASED NOT MORE THAN \$900,000.00 IN TAX COLLECTION YEAR 2027 AND BY WHATEVER AMOUNTS AS ARE GENERATED ANNUALLY THEREAFTER BY INCREASING THE CITY LODGERS' TAX FROM 2% TO 6% EFFECTIVE JANUARY 1, 2027, AND SHALL THE LODGERS' TAX REVENUES RECEIVED BY THE CITY BE USED FOR THE FOLLOWING PURPOSES:

- INVESTING IN TOURISM MARKETING, INCLUDING ADVERTISING THE COMMUNITY;
- ATTRACTING AND FACILITATING ECONOMIC DEVELOPMENT AND REDEVELOPMENT OF PROPERTIES AND INFRASTRUCTURE WITHIN THE CITY, INCLUDING IMPROVING WALKABILITY, LANDSCAPING, STRUCTURES, AND OTHER IMPROVEMENTS; AND
- INVESTING IN ARTS AND CULTURAL EVENTS, PROGRAMS AND FACILITIES;

PROVIDED THAT THE COUNCIL SHALL ADOPT AN ORDINANCE TO IMPLEMENT THE TAX INCREASE AS PROVIDED IN THIS QUESTION (INCLUDING PROVISIONS FOR THE METHOD OF COLLECTION AND ENFORCEMENT, ANY EXEMPTIONS FROM THE TAX, AND OTHER DETAILS)

AND MAY ADJUST THE RATE OF THE LODGERS' TAX FROM TIME TO TIME SO LONG AS IT DOES NOT EXCEED 6%; AND SHALL ALL AMOUNTS RECEIVED BY THE CITY FROM SUCH TAX AND THE EARNINGS THEREON BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER-APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW?

_____YES/FOR

_____NO/AGAINST

3. SETTING THE BALLOT TITLE AND CONTENT. For purposes of Section 31-11-111 C.R.S., this Ordinance shall serve to set the title and content of the ballot question set forth herein.

Any election contest arising out of the Ballot Issue or the election concerning the order of the ballot or the form or content of the ballot titles shall be commenced pursuant to Section 1-11-203.5, C.R.S.

4. AMENDMENT OF LODGER'S TAX RATE. Subject to approval of the ballot issue set forth above in Section 2 by a majority of the eligible electors voting thereon at the November 3, 2026 Election, Chapter 14A, Section 14A-4 of the Cortez City Code shall be amended to read:

There is imposed an occupancy tax on revenues of six percent (6%) of gross taxable rent for lodging paid to vendors beginning January 1, 2027.

5. RATIFICATION OF THE MUNICIPAL CODE. With the exception of the provisions of the Cortez City Code which are modified and amended as provided herein, all remaining provisions of the Cortez City Code shall remain in full force and effect unless subsequently modified by the City Council. To the extent necessary to affect the voter authorization, the Cortez City Code may be further amended by ordinance consistent with the terms of this Ordinance.

6. APPROVAL OF BALLOT ISSUE. If a majority of the votes cast on the ballot issue submitted at the election shall be in favor of the ballot issue, the City acting through the Council shall be authorized to proceed with the necessary actions in accordance with the ballot issue so approved.

7. RECITALS, RATIFICATION AND APPROVAL OF PRIOR ACTIONS: The foregoing recitals are incorporated herein as findings of the City Council. All actions heretofore taken, not inconsistent with the provisions of this Ordinance, by the City Council or the officers, agents, or employees of the City relating to the subject matter of this Ordinance, are hereby ratified, approved, and confirmed.

8. REPEALER. All orders, bylaws, ordinances, and resolutions of the City, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed to the extent only of such inconsistency or conflict.

9. SEVERABILITY. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

10. RECORDING AND AUTHENTICATION. Upon adoption hereof, this Ordinance shall be recorded in a book kept for that purpose and shall be authenticated by the signatures of the Mayor and the City Clerk.

11. EFFECTIVE DATE. This ordinance shall be effective upon publication after final passage.

12. FIRST READING. This ordinance shall be considered first reading on the 28th day of July, 2026, at the hour of 7:30 p.m., in the City Council Chambers in City Hall, Cortez, Colorado, at which time this ordinance shall be read and the public hearing for the second or final reading of this ordinance shall be set.

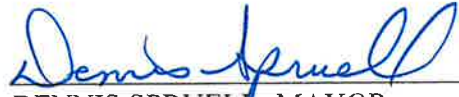
13. PUBLIC HEARING. This ordinance shall be considered for second and final reading on the 11th day of August, 2026, at the hour of 7:30 p.m., in the City Council Chambers in City Hall, Cortez, Colorado, at which time and place all persons may appear and be heard concerning the same.

PASSED, ADOPTED AND APPROVED ON FIRST READING THIS 28th DAY OF JULY, 2026.

CITY OF CORTEZ

ATTEST:


DANIELLE WELLS, CITY CLERK


DENNIS SPRUELL, MAYOR

APPROVED AS TO FORM:


J. PATRICK COLEMAN, CITY ATTORNEY

PASSED, ADOPTED AND APPROVED ON SECOND AND FINAL READING THIS 11th DAY OF AUGUST, 2026.

CITY OF CORTEZ

ATTEST:


DANIELLE WELLS, CITY CLERK


DENNIS SPRUELL, MAYOR