

ARTICLE 1

Business Licenses

Sec. 6-1-10. Definitions.

For purposes of this Article, the following definitions shall apply:

*Accommodations unit* means any separately owned condominium or condominium-hotel unit with one (1) or more sleeping rooms which is rented or leased for increments of less than thirty days (1-29 days).

*Advertising* includes all advertising regardless of medium i.e. internet, print, brochures, etc. All advertising of short term rental units must include a current Town of Telluride business license number, a condominium name and unit number and, when advertising a rental house, its street address.

*Business* means all activities engaged in with the object of gain, benefit, advantage or profit, direct or indirect. It includes, but is not limited to, deriving compensation from activities within the Town, including the sale, supply or distribution of commodities, services or related financial transactions. Advertising of a product, service, or short term rental unit in the Town is considered doing business.

*Employee* means any person or combination of two (2) persons working for him/herself, or another person, who is compensated for such work on an hourly, weekly, monthly or commission basis, or any combination of such means of compensation. The following shall apply:

(1) An individual who works twenty (20) hours per week or less shall be designated a part-time or half employee; thus, two (2) part-time employees shall equal one (1) employee.

(2) An individual who works more than twenty (20) hours per week shall be considered one (1) employee.

(3) An owner who works for or draws a salary from his or her business shall be designated as an employee

*Lodging establishment* means any hotel, motel, boardinghouse, roominghouse or lodge owned by a single entity and having an on-site lobby.

*Owner Representative* means a person who is on call full-time to manage a short term rental unit. The name, address, and phone number of the owner representative shall be listed on the business license application on file at Town Hall.

*Person* means any individual, firm, partnership, joint venture, corporation, estate or trust, or any group or combination acting as a unit, in the plural as well as the singular number.

*Rental House* a single family home or duplex offered for rental, rented or leased for less than thirty days (1-29 days).

*Short Term Rental Unit* means an accommodations unit, unit in a lodging establishment, or a rental house which is rented for increments of less than thirty days (1-29 days).

*Sleeping room* means any area with a bed surrounded by a minimum of one (1) wall. (Prior code 5.04.010; Ord. 1288, 2008; Ord. 1342, 2010)

Sec. 6-1-20. Fee levied.

An annual business license fee is levied on all persons doing business in the Town according to the following schedule:

(1) Lodging Establishment licenses, sixty-six dollars (\$66.00) per sleeping room.

(2) Accommodations Unit licenses, one hundred sixty-five dollars (\$165.00) plus twenty-two dollars (\$22.00) per sleeping room.

(3) Rental House licenses, one hundred sixty-five dollars (\$165.00) plus twenty-two dollars (\$22.00) per sleeping room. Please note that the Town of Telluride has restrictions regarding short term rentals in residential zone districts in its Land Use Code.

(4) All others, including but not limited to, retail, restaurant, wholesale, service and professional licenses:

(a) Businesses with up to one and one-half (1½) employees, one hundred ten dollars (\$110.00).

(b) Businesses with more than one and one-half (1½) employees and up to four (4) employees, three hundred three dollars (\$303.00).

(c) Businesses with more than four (4) employees and up to six (6) employees, four hundred thirteen dollars (\$413.00).

(d) Businesses with more than six (6) employees and up to nine (9) employees, five hundred twenty-three dollars (\$523.00).

(e) Businesses with more than nine (9) employees and up to fifteen (15) employees, eight hundred fifty-three dollars (\$853.00).

(f) Businesses with more than fifteen (15) employees and up to twenty-five (25) employees, one thousand three hundred seventy-five dollars (\$1,375.00).

(g) Businesses with more than twenty-five (25) employees and up to forty (40) employees, one thousand seven hundred thirty-three dollars (\$1,733.00).

(h) Businesses with more than forty (40) employees and up to sixty (60) employees, two thousand one hundred seventy-three dollars (\$2,173.00).

(i) Businesses with more than sixty (60) employees and up to one hundred (100)

employees, two thousand six hundred thirteen dollars (\$2,613.00).

(j) Businesses with more than one hundred (100) employees, two thousand eight hundred seventy-five dollars (\$2,875.00).

Fees shall be subject to increase by Town Council resolution.

(5) A building license is created and is imposed on all new construction within the Town, except as provided in this Section. The building license fee is determined as follows: .007 times the value of the building. *Value* is determined under the guidelines of Section 108.3 of the International Building Code, as adopted and amended by the Town. Single-family, duplex and triplex units built within the residential zone of the Town and deed-restricted, long-term housing units built within any zone are exempt from this license. (Prior code 5.04.020; Ord. 1288, 2008; Ord. 1342, 2010)

**Sec. 6-1-30. Use of proceeds.**

The proceeds derived from the business license fee shall be used first for reasonable costs incurred in connection with the administration of this Article: of the remaining balance, eighty percent (80%) shall be used for marketing and twenty percent (20%) shall be deposited into the Open Space Fund. (Prior code 5.04.030; Ord. 1288, 2008)

**Sec. 6-1-40. License required.**

(1) It is unlawful for any person to do business within the Town without first having obtained a business license.

(2) A separate license for each place of business is required and shall be in force and effect until December 31 of the year in which it is issued unless sooner revoked.

(3) Annual business license fees must be paid either on or before January 1. A business which begins operating after September 30 of any year shall only pay one-half (½) of the annual license fee. The building license fee shall be collected at the time of the issuance of a building permit.

(4) Each license shall be numbered and shall show the name, mailing address, and place of business of the licensee. It is the duty of each person conducting business in the Town to post his or her business license in a prominent place on the licensed premises and notify the Town Clerk of any changes to the current application including change of Management Company or Owner Representative. No licenses shall be transferable. The location of any licensed business may be changed, provided that ten (10) days' advance notice thereof is given to the Town Clerk. (Prior code 5.04.040; Ord. 1342, 2010)

**Sec. 6-1-50. License exemptions.**

(1) No license is required for any person engaged exclusively in the business of selling commodities or services which are exempt from taxation under this Code.

(2) Persons exempt from the provisions of this Article are employees of a licensee, minors, churches or established religious organizations, nonprofit organizations, charitable organizations, hospitals, governments and any persons exempt under federal or state law.

(3) The exchange for use of a short term rental unit for the use of any other structure not in Telluride is exempt from the provisions of this Article except that if any such "exchange" includes the transfer of money, consideration, or any other thing of value other than the use of the structure. Exchange stays sold through non-profits for the purpose of fundraising are exempt from the provisions of this Article.

(4) No license is required for any person responding to a Town of Telluride Request for Proposal/Qualification/Bid until a contract has been executed.

(5) No additional license is required for current license holders vending at a temporary location under the auspices of any special event, including festivals. (Prior code 5.04.050; Ord. 1288, 2008; Ord. 1342, 2010; Ord. 1387, 2013)

**Sec. 6-1-60. Administration by Town Clerk.**

(1) The power to administer this Article shall be vested in the Town Clerk, who is authorized to do the following:

(a) Collect license fees and issue receipts therefor.

(b) Adopt all forms for applications, exemptions and licenses, and prescribe the information to be provided on such forms.

(c) Promulgate and enforce all reasonable rules and regulations necessary to the operation and enforcement of this Article.

(3) It is the duty of each such licensee, on or before January 1 of each year, to obtain a renewal thereof if the licensee remains in business or is liable to account for the sales, use or excise tax provided for in this Code; however, nothing contained in this Article shall be construed to empower the Town Clerk to refuse such renewal except in the case of revocation for cause of the licensee's prior license. (Prior code 5.04.060; Ord. 1288, 2008)

**Sec. 6-1-70. Legal compliance required.**

Each licensee shall be required to:

(1) Ascertain and at all times comply with all laws and regulations applicable to such licensed business.

(2) Refrain from all illegal or unlawful practices or conditions which do or may affect the public health, safety, morals or welfare.

(3) Refrain from operating the licensed business or premises after expiration of his or her license and during the period his or her license is revoked or suspended. (Prior code 05.04.070)

**Sec. 6-1-80. Affidavit Required**

An annual affidavit is required to be filed, for each calendar year, by the Owner, Property Manager or the Owner's Representative for any Owner engaging in short term rentals

within any residential zone district within the Town. The affidavit will include such information as is determined by the Town Clerk. (Ord. 1342, 2010; Ord. 1387, 2013)

local ordinance or available at law. (Prior code 5.04.100)

**Sec. 6-1-90. License revocation.**

The Town Council, after reasonable notice and a fair hearing, may revoke any license, based upon a violation of this Article. (Prior code 5.04.080)

**Sec. 6-1-100. Failure to obtain.**

Any person engaged in conducting business within the Town of Telluride, without having first secured a license therefor as provided in this Article, is guilty of a violation of this Article. (Prior code 5.04.090; Ord. 1342, 2010)

**Sec. 6-1-110. Delinquency charges penalty.**

(1) A delinquency charge for failure to comply with any provision of Section 6-1-40 above shall accrue five (5) days after a license is required in the amount of fifteen dollars (\$15.00), or up to five percent (5%) per month (or fraction thereof), not to exceed a total of twenty-five percent (25%) of the amount due, whichever is greater.

(2) The Town may issue a summons and complaint sixty (60) days after the business license fee is due, charging a person with failure to comply with this Article. A violation of any part of this Article is punishable for each day of violation by a maximum penalty as set forth in Paragraph 1-4-10(a)(1) of this Code. A minimum fine, in the amount of one-half percent (.5%) per day of the amount of the business license fee for each day of noncompliance from the date the fee is due through the date of sentencing, is mandatory and may not be suspended by the court. Each day of violation is a separate offense.

(3) The Town may also seek an injunction to restrain a person from engaging in business within the Town who does not obtain an annual business license, or has his or her license revoked or suspended.

(4) All these remedies shall be in addition to all other remedies and penalties provided for by