FINANCE MEMORANDUM
#13-2026

DATE: July 13, 2026

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager hmg

FROM: Jason Loveland, Deputy City Manager JL

SUBJECT: CB-2040 – Eliminate the One Percent Vendor Fee

PURPOSE

To consider CB-2040, an ordinance on first reading amending Section 5-3-7(d) of the Municipal Code. This amendment would eliminate the one percent (1%) vendor fee that reimburses vendors for the expense of collecting and remitting taxes.

BACKGROUND

The vendor fee is an administrative rebate of sales tax provided to vendors that submit their sales tax returns and taxes due on or before the due date. With the implementation of various sales tax simplification measures, staff believes the rebate is no longer necessary. Staff recommends the following amendment to the Code:

5-3-7. Taxpayer (Retailer and Consumer) Liability.

(d) Retailer Responsibility for Remittance of Tax. Every retailer or vendor engaged in business and selling at retail, as the same are defined in this Code, shall file a return as prescribed herein with the Finance Director on or before the twentieth (20th) day of the month for the preceding month or months under report and remit the amount of tax imposed by Section 5-3-3 computed on the total of such sales and also the amount of any excess tax collections as provided in Section 5-3-15~~, less one percent (1%) of the amount of taxes to be paid by the retailer or vendor engaged in business and selling at retail under this Code to cover the retailer's expense of collection and remittance of the tax; but if any retailer is delinquent in remitting said tax other than in unusual circumstances shown to the satisfaction of the Finance Director, the retailers shall not be allowed to retain any amounts to cover the retailer's expense in collecting and remitting said tax and an amount equivalent to the full tax shall be remitted to the Finance Director by any such delinquent retailer~~. The retailer shall add the tax as a separate and distinct item and such tax shall be a debt from the consumer to the retailer and shall be recoverable at law in the same manner as other debts.

BUDGET/TIME IMPLICATIONS

Eliminating the 1% vendor fee would result in approximately $300,000 in additional revenue to the City.

If CB-2040 is approved on first reading, a public hearing and second reading of the proposed ordinance will be scheduled for July 27, 2026.

STAFF RECOMMENDATION

Staff recommends approval of CB-2040 on first reading.

STAFF REFERENCE

If Council members have any questions, please contact Jason Loveland, Deputy City Manager, at jloveland@northglenn.org or 303.450.8817.

SPONSORED BY: MAYOR LEIGHTY

COUNCIL MEMBER'S BILL ORDINANCE NO.

No.___________CB-2040__________ ________________________________
Series of 2026 Series of 2026

A BILL FOR AN ORDINANCE AMENDING CHAPTER 5, ARTICLE 3 OF THE CITY OF NORTHGLENN MUNICIPAL CODE TO ELIMINATE THE ONE PERCENT (1%) VENDOR FEE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Section 5-3-7(d) of the Northglenn Municipal Code is hereby amended to read as follows:

Section 5-3-7. Taxpayer (Retailer and Consumer) Liability.

* * *

(d) Retailer Responsibility for Remittance of Tax. Every retailer or vendor engaged in business and selling at retail, as the same are defined in this Code, shall file a return as prescribed herein with the Finance Director on or before the twentieth (20th) day of the month for the preceding month or months under report and remit the amount of tax imposed by Section 5-3-3 computed on the total of such sales and also the amount of any excess tax collections as provided in Section 5-3-15~~, less one percent (1%) of the amount of taxes to be paid by the retailer or vendor engaged in business and selling at retail under this Code to cover the retailer's expense of collection and remittance of the tax; but if any retailer is delinquent in remitting said tax other than in unusual circumstances shown to the satisfaction of the Finance Director, the retailers shall not be allowed to retain any amounts to cover the retailer's expense in collecting and remitting said tax and an amount equivalent to the full tax shall be remitted to the Finance Director by any such delinquent retailer~~. The retailer shall add the tax as a separate and distinct item and such tax shall be a debt from the consumer to the retailer and shall be recoverable at law in the same manner as other debts.

Section 2. The effective date of this ordinance shall be January 1, 2027.

INTRODUCED, READ AND ORDERED POSTED this ____ day of _______________, 2026.

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SHANNON LUKEMAN-HIROMASA
Mayor Pro Tem

ATTEST:

____
JOHANNA SMALL, MMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _________________, 2026.

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MEREDITH LEIGHTY
Mayor

ATTEST:

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JOHANNA SMALL, MMC
City Clerk

APPROVED AS TO FORM:

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COREY Y. HOFFMANN
City Attorney