



January 4, 2021

The Honorable George Lantz
Mayor of Greenwood Village
City Hall
6060 South Quebec Street
Greenwood Village, CO 80111

Dear Mayor Lantz:

On behalf of CTIA®, the trade association for the wireless communications industry, I write to oppose proposed Ordinance 19-2020. This proposal would amend several sections of the Greenwood Village Code to expand the tax base to include digital products, software programs, software license fees, software maintenance agreements, and television and entertainment services.

Currently, Greenwood Village does not include “television and entertainment services” in the definition of “telecommunications services” subject to the sales and use tax. These are separate and distinct services that are not “telecommunications services” as defined under federal or state law or under the municipal code. It is not appropriate for the city to expand the definition of “telecommunications services” to include services that are clearly not telecommunications services. If the city wishes to tax these services, it should do so under a separate definition and imposition.

The municipal code also does not include “digital product, software programs, software license fees, and software maintenance agreements” within the definition of “tangible personal property.” These products and services are separate and distinct from tangible personal property. If the city wishes to tax these products and services, it should do so under a separate definition and imposition.

In either case, the amendments to the code in the proposed ordinance would expand the base of the existing sales and use tax to new products and services. The staff report that accompanies the proposed ordinance suggests that these changes are merely clarifications of existing ordinance provisions that current tax these products and services. We respectfully disagree.

Article X, Section 20 of the Colorado Constitution requires voter approval for “...**any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase**



for a property class, or extension of an expiring tax, or a tax policy change directly causing a net tax revenue gain to any district.” (Art. X, Section 20(4)(a))

Therefore, for the proposed ordinance to become effective, it must be submitted to the voters for approval. For these reasons, CTIA respectfully requests that the Council defer action on the proposed ordinance. Thank you for your consideration.

Sincerely,

Gerard Keegan
Vice President
State Legislative Affairs