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3 **ADMINISTRATIVE RULES AND REGULATIONS**
4 **OF THE DEPARTMENT OF FINANCE**

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6 **ARTICLE I - GENERAL PROVISIONS**
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8 **A. Effective date.** These administrative rules and regulations (“Finance rules
9 regulations”) are effective upon publication as required under 1-18-3 of the municipal code.

10 **B. Authority and purpose.** These regulations are issued by the department of
11 Finance of the Town of Breckenridge per authority of the municipal code. These regulations
12 elaborate on the requirements of the code and are intended to address the additional criteria
13 governing the Town’s Finance department. These Finance rules and regulations supersede and
14 terminate any and all prior Finance rules and regulations, included but not limited to, rules and
15 regulations pertaining to the Real Estate Transfer Tax (RETT), the Business and Occupational
16 Tax (BOLT) and/or Accommodation Unit Licenses.

17 **C. Background.** These rules and regulations supersede and replace any and all
18 regulations of the Department of Finance promulgated prior to the effective date of these rules.

19 **D. Interpretation.** These Finance rules and regulations are officially promulgated by
20 the department of Finance and have the force and effect of law and are not intended to conflict
21 with title 4 of the municipal code. In the event there is a conflict between these regulations and
22 the ordinance, the ordinance shall control. As used herein, Finance director shall mean the
23 Director of the Department of Finance or their designee.
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25 **ARTICLE II –REAL ESTATE TRANSFER TAX**
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27 The below administrative regulations should be read in conjunction with the municipal code,
28 title 3, chapter 3 located at https://breckenridge.town.codes/Code/3_Ch3. Attached hereto as
29 **Exhibit A** are answers to Frequently Asked Questions about RETT.

30 **A. Process to apply for an exemption from RETT.**

31 1. Timeline for application. In order to be eligible for an exemption, an owner shall
32 complete and submit an application on forms approved by the Town, prior to recording of the
33 deed with the Summit County Clerk and Recorder.

34 2. Untimely applications for exemption. The Finance director may within their sole
35 discretion, upon the receipt of a properly completed exemption application, approve an

1 exemption after the deed has been recorded with the Summit County Clerk and Recorder if: (i)
 2 the exemption application is filed with Town not later than one (1) year after the deed was
 3 recorded; (ii) the deed would have been exempt from the RETT had the exemption application
 4 been timely filed; and (iii) the person making the late exemption request pays a late filing fee as
 5 follows:

6 Number of Late-Filed RETT Exemption Applications Submitted By Same Applicant,
 7 Business, or Title Company Within Consecutive Twelve Month Period*

8 Amount of Late Filing Fee

9 First \$100.00

10 Second \$200.00

11 Third \$300.00

12 Fourth (and each subsequent) \$600.00

13 *calculated from date of filing of exemption application

14 **B. Documentation acceptable to comply with section 3-3-6 of the code.**

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<u>Exemption Section</u>	<u>Example of Acceptable Documentation to Support Claim of Exemption</u>
A	Credible evidence that the fair market value of the transferred property is \$500 or less, such as an appraisal, or where the Grantor and Grantee on the deed are the same person. If the deed involves a name change, the exemption application should be accompanied with Court documentation, marriage license or other legal proof of change of name.
B	Proof that the Grantee in the deed is a government agency, municipality, or political subdivision.
C	The deed must reflect that the transfer is a gift or charitable donation. For a gift, the deed must state: "For no consideration other than love and affection", "as a gift", or similar language clearly expressing a donative intent. For a charitable donation, the deed must specifically state that it was made as a charitable contribution and the grantee of the deed must be an entity qualified under Section 501(c)(3).
D	The names of the Grantor and Grantee listed on the deed must match exactly. Additionally, the exemption application must affirm that no additional consideration

	was paid in connection with the transfer, or must describe the amount of such additional consideration.
E	Death certificate, will, Personal Representative's deed, Decree of Distribution, or other formal transfer of real property made for the purpose of transferring a decedent's interest in real property to those persons entitled to take the property by law or pursuant to the decedent's will. Also, an unrevoked Beneficiary's Deed together with proof of the grantor's death as required by Colorado law. Note: This exemption does not apply to a sale of real property by a decedent's estate.
F	Proof that the percentage of ownership has not changed. Examples include: Operating Agreement, Stock certificate(s), Membership Ledger, Trust Agreement, Affidavit of Trust, or Memorandum of Trust. See the discussion under Question 25 of these amended regulations.
G	Certified copy of court documentation (bankruptcy or receivership)
H	The wording of deed should clearly describe the situation (example: Deed of Correction" or "Corrective Deed"), and a written explanation should be provided on the exemption application.
I	A certified copy of a final judgment of a court (a Quiet Title Decree, a Rule and Order or other court judgment) should accompany the exemption application.
J	A certified copy of a Separation Agreement, Decree of Legal Separation, or Decree of Dissolution of Marriage stating that the Grantor's interest in the subject property is to be transferred to the Grantee.
K	Documentation demonstrating that the land that is transferred is a cemetery lot.
L	A copy of the lease.
M	The deed must specifically described the mineral or royalty interest being transferred. Unless another exemption applies, this exemption does not apply if any interest in real property other than a mineral or royalty interest is conveyed.
N	A copy of the mortgage, deed of trust, or other legal documentation providing for the transfer of legal title to the real property to secure a debt or other obligation.
O	Copies of the Deed-In-Lieu of Foreclosure and Deed-In-Lieu Agreement and Estoppel Affidavit (if any).
P	Copy of sheriff's confirmation deed, public trustee's confirmation deed, or other real property conveyance representing a forced sale of property to satisfy a financial obligation, judgment, or debt of the property owner, If the grantee in the deed submitted an "overbid" as defined by

	Section 38-38-100.3(17.3), C.R.S., contact information for the grantee shall also be provided since the conveyance is taxable under the RETT Ordinance to the full extent of the amount paid by the person who submitted the overbid. See the answer to Question 17(C).
Q	Copy of the executory (unperformed) contract for the sale of real property. Evidence of relationship, such as 1031-reverse exchange documentation (or statement on deed).
R	[Repealed by Ordinance No.7, Series 2014].
S	[Repealed by Ordinance No.7, Series 2014].
T	Proof that the property has been approved by Town of Breckenridge Community Development Department as a qualifying deed-restricted property, and: (i) a copy of the deed, restrictive covenant or other legal restriction creating the qualifying deed restriction and (ii) if applicable, a copy of the Appreciation Limiting Deed of Trust.

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ARTICLE III - BUSINESS AND OCCUPATIONAL TAX

The below administrative regulations must be read in conjunction with the municipal code, title 4, chapter 1, located at https://breckenridge.town.codes/Code/4_Ch1.

- A. Eligibility: An owner shall not be eligible to apply for a business and occupational license until actively engaged in business to include soliciting business or selling any goods or services for which a license is required.
- B. License year. All BOLT licenses shall be renewed in accordance with section 4-1-5 of the code and renew on the 15th day of the month in which the license was issued.
- C. While the persons listed under section 4-1-9 of the municipal code are exempt for purposes of taxation, they are required annually to attest to the exemption through the BOLT licensing and renewal process.

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2 **ARTICLE IV - ACCOMMODATION UNIT LICENSING**

3 The below administrative regulations should be read in conjunction with the municipal code,
4 title 4, chapter 6 located https://breckenridge.town.codes/Code/4_Ch6. Attached hereto as
5 **Exhibit B** are answers to Frequently Asked Questions about Accommodation Unit Licenses.

6 **A. Definitions.**

- 7 1. *Controlling interest* means at least 50% of the voting stock.
8 2. *Primary residence* means the place in which a person's habitation is fixed for the
9 term of the license and is the person's usual place of return. A person can have only one (1)
10 primary residence.

11 **B. Eligibility; license year.**

- 12 1. Prior to being approved for an accommodation unit license, an applicant shall
13 first obtain a BOLT license.
14 2. Accommodation Unit licenses issued with an expiration date of December 31
15 shall be renewed by December 31 of the current year.

16 **C. Process to apply for an exemption from the annual regulatory fee.**

- 17 1. At the time of seeking the exemption and annually thereafter, an owner seeking
18 an exemption under 4-6-3 of the code shall provide proper documentation to the Finance
19 director and shall provide copies of two out of three of the following documents: driver license,
20 voter registration and vehicle registration.
21 2. Failure to comply with the exemption process shall result in the imposition of the
22 annual regulatory fee.

23 **D. Special rules applicable to the resort zone.**

24 Per section 4-6-6, in the resort zone, the Finance director may require a resort property
25 to provide shuttle service for guests depending on proximity to services, including downtown
26 core, transit stops and ski area.

27 **E. Licenses non-transferable; exceptions.**

- 28 1. No license granted shall be transferable including between joint owners except
29 as otherwise provided in 4-6-8.
30 2. Eligibility for an exemption will be made by the Finance director based on
31 documentation provided to the Town under RETT Article 2, C above.

32 **F. Process to obtain a temporary license under section 4-6-8.**

- 33 1. A temporary license may be issued only to honor reservations made prior to the
34 sale of the real property.

1 2. An owner must apply for a temporary license on forms provided by the Finance
2 director.

3 3. A temporary license automatically expires automatically 6 months from the time
4 the deed was issued for the real property.

5 4. A temporary licensee shall not advertise for rent.

6 **G. Complaints; enforcement/remedies.**

7 1. Complaints. Except for infractions, criminal, or safety complaints which should be
8 immediately referred to the appropriate law enforcement official, the Town of Breckenridge has
9 a 24/7 hotline for any alleged negative secondary impacts such as parking, trash, noise. The
10 Town does not accept anonymous complaints. A complainant shall contact the Town at the
11 time of the incident and provide their name and contact information along with location so that
12 the Town can contact the responsible agent.

13 2. Enforcement. An accommodation unit licensee who violates and provision of the
14 municipal code or these rules and regulations is subject to any and all discipline, fines and/or
15 penalties as set forth in title 4, chapter 6.

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Finance Director