



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 18-0411	Date:	February 7, 2018
Prime Sponsors:	Rep. Thurlow; Hamner Sen. Coram	Bill Status:	House Finance
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Bill Topic: COUNTY LODGING TAX REVENUE ALLOWABLE USES

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government (<i>potential</i>)
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill eliminates the requirement that revenue from county lodging taxes be used only for local tourism advertising and marketing. There is a potential expenditure impact to county governments.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill allows counties that levy a county lodging tax to seek voter approval on the expansion of the use of the revenue from this tax. If a county currently levies a lodging tax, the board of county commissioners may approve a proposal, to be voted on by electors, to allow revenue collected from the tax to be used for purposes other than advertising and marketing local tourism. If a county does not currently levy a lodging tax, if such measure is referred to the ballot and approved by voters, then the revenue from the tax can be used for any purpose.

Background

Under current law, counties may vote to levy up to a 2 percent tax on hotel rooms, commonly called a lodging tax. All revenue from this tax must be used for advertising and marketing costs for local tourism. There are approximately 28 counties that levy this tax, accounting for almost \$4.5 million in revenue in 2016.

Local Government

If counties that currently levy a lodging tax seek voter approval for additional uses, spending by these local governments may shift to new uses. If additional counties are encouraged to bring new lodging taxes to voters for approval, tax revenue to these counties will increase. Counties referring measures to voters will have increased election-related costs.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Municipalities

County Clerks
Revenue

Information Technology