

An Act

SENATE BILL 26-128

BY SENATOR(S) Snyder and Kirkmeyer, Bright, Catlin, Frizell, Lindstedt, Liston, Marchman, Mullica, Pelton B., Pelton R., Roberts, Simpson, Coleman;
also REPRESENTATIVE(S) Lukens and Zokaie, Gonzalez R., Marshall, McCluskie.

CONCERNING A SALES AND USE TAXATION EXEMPTION ON CERTAIN FEES
CHARGED BY DESTINATION MANAGEMENT COMPANIES.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **amend** 39-26-701 as follows:

39-26-701. Definitions.

In addition to the definitions in section 39-26-102, as used in this part 7, unless the context otherwise requires:

(1) ~~"Storage" or "storing" means any keeping or retention of, or exercise of dominion or control over, tangible personal property in this state.~~ "DESTINATION MANAGEMENT COMPANY" MEANS A PERSON THAT:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(a) IS PRIMARILY ENGAGED IN THE BUSINESS OF PROVIDING OR ARRANGING FOR THE PROVISION OF AT LEAST SIX DESTINATION MANAGEMENT SERVICES IN COLORADO;

(b) HAS AT LEAST THREE FULL-TIME EMPLOYEES; AND

(c) DOES NOT PREPARE OR SERVE BEVERAGES, MEALS, OR OTHER FOOD PRODUCTS AND DOES NOT OWN OR OPERATE A VENUE AT WHICH DESTINATION MANAGEMENT SERVICES ARE PROVIDED, EITHER DIRECTLY OR THROUGH A FINANCIAL INTEREST IN ANOTHER PERSON.

(2) "DESTINATION MANAGEMENT SERVICES" MEANS:

(a) BOOKING AND MANAGING ENTERTAINERS;

(b) COORDINATING TOURS OR RECREATIONAL ACTIVITIES;

(c) ORGANIZING MEETING, CONFERENCE, OR EVENT REGISTRATION;

(d) STAFFING MEETINGS, CONFERENCES, TRANSPORTATION, OR OTHER EVENTS;

(e) EVENT MANAGEMENT;

(f) CATERING OR MEAL COORDINATION;

(g) PROVIDING SHUTTLE SYSTEM SERVICES, INCLUDING VEHICLE STAGING, RADIO COMMUNICATIONS, SIGNAGE, AND ROUTING SERVICES; OR

(h) PROVIDING AIRPORT MEET-AND-GREET SERVICES, INCLUDING THE PROVISION OF AIRPORT PERMITS, MANIFEST MANAGEMENT SERVICES, PORTERAGE, AND PASSENGER GREETING SERVICES.

(3) "STORAGE" OR "STORING" MEANS ANY KEEPING OR RETENTION OF, OR EXERCISE OF DOMINION OR CONTROL OVER, TANGIBLE PERSONAL PROPERTY IN THE STATE.

SECTION 2. In Colorado Revised Statutes, **add** 39-26-735 as follows:

39-26-735. Destination management fees - tax preference performance statement - legislative declaration.

(1) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE GENERAL LEGISLATIVE PURPOSE OF THE EXEMPTION ALLOWED BY THIS SECTION IS TO INCENTIVIZE DESTINATION MANAGEMENT COMPANIES TO BRING DESTINATION MANAGEMENT BUSINESS TO THE STATE;

(b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE EXEMPTION ALLOWED BY THIS SECTION IS TO PREVENT THE IMPOSITION OF SALES AND USE TAX ON THE DESTINATION MANAGEMENT COMPANY'S SUBSEQUENT PROVISION OF DESTINATION MANAGEMENT SERVICES TO A CLIENT OF THE DESTINATION MANAGEMENT COMPANY; AND

(c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS OF THE EXEMPTION ALLOWED BY THIS SECTION BASED ON THE STATEWIDE ECONOMIC IMPACT OF DESTINATION MANAGEMENT COMPANIES.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, BEGINNING JULY 1, 2027, THE SALE, STORAGE, USE, OR CONSUMPTION OF TANGIBLE PERSONAL PROPERTY, COMMODITIES, OR SERVICES SOLD BY A DESTINATION MANAGEMENT COMPANY ARE EXEMPT FROM TAXATION PURSUANT TO PART 1 OR PART 2 OF THIS ARTICLE 26, IF THE DESTINATION MANAGEMENT COMPANY HAS PAID TO THE STATE THE APPLICABLE SALES OR USE TAX ON SUCH TANGIBLE PERSONAL PROPERTY, COMMODITIES, OR SERVICES UPON ITS ACQUISITION.

(3) NOTWITHSTANDING SECTION 39-21-304 (4), THIS SECTION DOES NOT REPEAL.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a

referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO