

CHAPTER 187

TAXATION

HOUSE BILL 25-1247

BY REPRESENTATIVE(S) Stewart K. and McCormick, Bacon, Boesenecker, Duran, Lindsay, Lukens, Stewart R., Titone, McCluskie, Brown, Smith
 also SENATOR(S) Roberts and Simpson, Bridges, Catlin, Hinrichsen, Jodeh, Kipp, Michaelson Jenet, Snyder, Wallace, Weissman, Winter F.

AN ACT**CONCERNING EXPANSION OF THE COUNTY LODGING TAX.**

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

SECTION 1. In Colorado Revised Statutes, 30-11-107.5, **amend** (1), (1.5)(a)(II), (1.5)(b), (2)(c), (3)(a), (3)(a.5), (3)(b)(II), (3)(g), and (4)(a); **amend as it will become effective July 1, 2025**, (3)(f)(I); and **add** (1.5)(a)(IV), (1.5)(a)(V), (3)(a.7), and (3)(h) as follows:

30-11-107.5. Lodging tax. (1) In accordance with the procedures set forth in this section, the board of county commissioners of each county, for one or more of the purposes specified in subsection (1.5) of this section, may levy a county lodging tax of not more than ~~two~~ **six** percent on the purchase price paid or charged to persons for rooms or accommodations as included in the definition of "sale" in section 39-26-102 (11); ~~No tax shall~~ EXCEPT THAT THE TAX DOES NOT apply within any municipality levying a lodging tax.

(1.5) (a) Subject to the limitation set forth in subsection (1.5)(b) of this section, a county board of commissioners may levy the tax specified in subsection (1) of this section for the purpose of:

(II) Housing and childcare for the tourism-related workforce, including seasonal workers, and for other workers in the community; ~~or~~

(IV) PUBLIC INFRASTRUCTURE MAINTENANCE OR IMPROVEMENTS; OR

(V) ENHANCING PUBLIC SAFETY MEASURES BY FUNDING LOCAL LAW ENFORCEMENT, FIRE PROTECTION SERVICES, AND EMERGENCY MEDICAL SERVICES.

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.

(b) If, after January 1, 2022, there is a new lodging tax created or the allowable uses of an existing lodging tax are expanded in accordance with subsection (3)(a.5) OR (3)(a.7) of this section, at least ten percent of the lodging tax revenue must be used for the purpose of advertising and marketing local tourism.

(2)(c) Any person or entity providing rooms or accommodations as included in the definition of "sale" referred to in subsection (1) of this section ~~shall be~~ IS liable and responsible for the payment of an amount equivalent of up to ~~two~~ SIX percent of all such sales made and shall quarterly, unless otherwise provided by law, make a return to the executive director of the department of revenue for the preceding tax-reporting period and remit an amount equivalent up to the said ~~two~~ SIX percent on such sales to said executive director.

(3) (a) The board of county commissioners may, by resolution, approve a proposal for a county lodging tax OR TO INCREASE THE RATE OF AN EXISTING LODGING TAX; thereupon, such proposal for the county lodging tax OR INCREASED RATE shall be referred to the registered electors of the unincorporated areas and the municipalities subject to the lodging tax at a ~~special~~ GENERAL OR A COORDINATED election. ~~held for such purpose. Any such election may be combined with any other special election. On and after January 1, 1989, such tax may only be approved at a general election.~~

(a.5) If, prior to January 1, 2022, the voters of a county approved a county lodging tax for the purpose of advertising and marketing local tourism, the board of county commissioners may, by resolution, approve a proposal to allow the county lodging tax revenues to also be used for any of the additional purposes specified in ~~subsection (1.5)~~ SUBSECTION (1.5)(a)(II) OR (1.5)(a)(III) of this section. The county shall refer the proposal to the registered electors of the unincorporated areas and the municipalities subject to the lodging tax at the next general OR COORDINATED election.

(a.7) IF, PRIOR TO JANUARY 1, 2025, THE VOTERS OF A COUNTY APPROVED A COUNTY LODGING TAX FOR THE PURPOSES SPECIFIED IN SUBSECTION (1.5)(a)(I), (1.5)(a)(II), OR (1.5)(a)(III) OF THIS SECTION, THE BOARD OF COUNTY COMMISSIONERS MAY, BY RESOLUTION, APPROVE A PROPOSAL TO ALLOW THE COUNTY LODGING TAX REVENUES TO ALSO BE USED FOR ANY OF THE ADDITIONAL PURPOSES SPECIFIED IN SUBSECTION (1.5)(a)(IV) OR (1.5)(a)(V) OF THIS SECTION. THE COUNTY SHALL REFER THE PROPOSAL TO THE REGISTERED ELECTORS OF THE UNINCORPORATED AREAS AND THE MUNICIPALITIES SUBJECT TO THE LODGING TAX AT THE NEXT GENERAL OR COORDINATED ELECTION.

(b) (II) If any additional lodging tax or statewide tax on lodging facilities is enacted or levied after January 1, 1987, which in combination with the lodging tax authorized by this section exceeds ~~two~~ SIX percent, the tax under this section shall be reduced by that amount that the total tax exceeds the ~~two~~ SIX percent maximum specified in subsection (1) of this section.

(f) (I) If a proposal for a county lodging tax OR AN INCREASE IN THE RATE OF AN EXISTING LODGING TAX under subsection (3)(a) of this section is approved by a majority of the registered electors from the municipality or unincorporated area subject to the lodging tax voting thereon, the county lodging tax OR INCREASED

RATE becomes effective as provided in part 2 of article 2 of title 29. If a proposal to expand the allowable uses under subsection (3)(a.5) OR (3)(a.7) of this section is approved by a majority of the registered electors from the municipality or unincorporated area voting thereon, the county may also use the lodging tax revenue for any of the additional approved uses as specified in subsection (1.5) of this section.

(g) If a county seeks to use lodging tax revenue for a purpose specified in ~~subsection (1.5)(a)(II) or (1.5)(a)(III)~~ SUBSECTION (1.5)(a) of this section, then the ballot issue authorizing the use must specify how the county will spend the lodging tax revenue under either subsection; EXCEPT THAT, THIS REQUIREMENT DOES NOT APPLY IF A COUNTY SEEKS TO USE LODGING TAX REVENUE FOR THE PURPOSE OF ADVERTISING AND MARKETING LOCAL TOURISM SET FORTH IN SUBSECTION (1.5)(a)(I) OF THIS SECTION.

(h) (I) IF, PRIOR TO JANUARY 1, 2025, VOTERS OF A COUNTY APPROVED SPECIFIC ALLOCATIONS OF LODGING TAX REVENUE FOR DESIGNATED PURPOSES AND THE COUNTY SUBSEQUENTLY SEEKS VOTER APPROVAL TO INCREASE THE RATE OF THE EXISTING TAX, THE PREVIOUSLY APPROVED ALLOCATIONS ARE PRESERVED AS FOLLOWS:

(A) THE DOLLAR AMOUNT OR PERCENTAGE OF THE LODGING TAX REVENUE DEDICATED TO VOTER-APPROVED PURPOSES UNDER THE TAX RATE IN EFFECT AT THE TIME OF THE VOTER APPROVAL REMAINS IN EFFECT AS A BASELINE REGARDLESS OF ANY SUBSEQUENTLY APPROVED TAX RATE INCREASE OR APPROVAL OF ADDITIONAL ALLOWABLE USES. ANY ADDITIONAL ALLOCATION OF REVENUE PURSUANT TO SUBSECTION (3)(h)(II) OF THIS SECTION DOES NOT REDUCE OR OTHERWISE AFFECT THE BASELINE ALLOCATION PRESERVED IN THIS SUBSECTION (3)(h)(I).

(B) THE PRESERVED ALLOCATION SET FORTH IN SUBSECTION (3)(h)(I)(A) OF THIS SECTION IS CALCULATED BASED ON THE TAX RATE IN EFFECT AT THE TIME OF VOTER APPROVAL, REGARDLESS OF ANY SUBSEQUENT INCREASE IN THE OVERALL TAX RATE.

(II) A COUNTY THAT RECEIVES VOTER APPROVAL FOR AN INCREASE IN THE TAX RATE AFTER JANUARY 1, 2025, IN ACCORDANCE WITH SUBSECTION (3)(a) OF THIS SECTION AND THAT BEFORE JANUARY 1, 2025, RECEIVED VOTER APPROVAL TO SPECIFICALLY ALLOCATE LODGING TAX REVENUE UNDER A LOWER RATE MAY ALLOCATE THE REVENUE ATTRIBUTABLE TO THE DIFFERENCE BETWEEN THE PREVIOUSLY APPROVED LOWER RATE AND THE NEWLY APPROVED INCREASED RATE FOR ANY PURPOSES ALLOWED IN SUBSECTION (1.5)(a) OF THIS SECTION INCLUDING THE DESIGNATED PURPOSES THAT PREVIOUSLY RECEIVED VOTER APPROVAL FOR SPECIFIC ALLOCATIONS OF LODGING TAX REVENUE UNDER THE TAX RATE AT THE TIME OF THAT VOTER APPROVAL. THE COUNTY MUST BE ABLE TO CLEARLY DELINEATE THE AMOUNT OF LODGING TAX REVENUE THAT IS SPECIFICALLY ALLOCATED IN ACCORDANCE WITH PRIOR VOTER APPROVAL BASED ON THE TAX RATE AT THE TIME OF THAT VOTER APPROVAL, ANY ADDITIONAL ALLOCATIONS THE COUNTY MAKES TO THE PURPOSES THAT RECEIVED VOTER APPROVAL FOR THE SPECIFIC ALLOCATIONS, AND ALLOCATIONS OF LODGING TAX REVENUE FOR ADDITIONAL PURPOSES SPECIFIED IN SUBSECTION (1.5)(a)(IV) OR (1.5)(a)(V) OF THIS SECTION THAT THE COUNTY RECEIVES VOTER APPROVAL FOR IN ACCORDANCE WITH SUBSECTION (3)(a.7) OF THIS SECTION.

(III) NOTHING IN THIS SECTION PREVENTS A COUNTY FROM SEEKING VOTER APPROVAL TO MODIFY PREVIOUSLY APPROVED SPECIFIC ALLOCATIONS OF LODGING TAX REVENUE FOR THE ALLOWED PURPOSES SET FORTH IN SUBSECTION (1.5)(a) OF THIS SECTION.

(4) (a) All revenue collected from such county lodging tax, except the amounts retained under subsection (2) of this section, shall be credited to a special fund designated as the county lodging tax fund, hereby created. The fund shall be used only for the purposes approved by voters and to reimburse the general fund of the county for the cost of the election in accordance with subsection (3)(d) of this section. No revenue collected from such county lodging tax shall be used for any capital expenditures, with the exception of CAPITAL EXPENDITURES FOR THE PURPOSES SET FORTH IN SUBSECTION (1.5)(a) OF THIS SECTION.

~~(I) Capital expenditures for housing and childcare for the tourism-related workforce, including seasonal workers, and for other workers in the community;~~

~~(II) Capital expenditures related to facilitating and enhancing visitor experiences;~~
~~or~~

~~(III) Tourist information centers.~~

SECTION 2. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: May 13, 2025