

**Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 22-0053.01 Ed DeCecco x4216

**HOUSE BILL 22-1117**

**HOUSE SPONSORSHIP**

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**A BILL FOR AN ACT**

101 **CONCERNING THE USE OF REVENUE FROM A LOCAL TAX ON LODGING.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

**Section 1** of the bill amends the authority of a local marketing district (district) to allow it to use the proceeds of its marketing and promotion tax levied on rooms or accommodations (marketing and promotion tax) for activities related to workforce recruitment, management, and development and for facilitating and enhancing visitor experiences. It also allows a district to make capital expenditures related to these purposes, as well as for business recruitment, management, and development.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

SENATE  
3rd Reading Unamended  
March 15, 2022

SENATE  
2nd Reading Unamended  
March 14, 2022

HOUSE  
3rd Reading Unamended  
February 16, 2022

HOUSE  
Amended 2nd Reading  
February 15, 2022

If a district's allowable uses of the marketing and promotion tax revenue approved by voters prior to January 1, 2022, do not include an additional use, then under **section 2**, the district will require subsequent voter approval to use the marketing and promotion tax revenue for that purpose.

Counties are currently authorized, with prior voter approval, to levy a county lodging tax for the purpose of advertising and marketing local tourism. **Section 3** expands the lodging tax to allow the revenue to also be used for:

- Economic development;
- Workforce recruitment, management, and development; or
- Facilitating and enhancing visitor experiences.

If a county already has a lodging tax that is limited to advertising and marketing local tourism, then the county must obtain voter approval to begin using the lodging tax revenues for any or all of these additional purposes.

Beginning January 1, 2023, **section 3** also requires any person or entity collecting the county lodging tax to remit the tax revenue to the department of revenue with the same filing frequency as the person or entity remits and files sales tax, instead of quarterly.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds and declares that:

4 (a) In recent years, the role of destination marketing and  
5 management organizations in Colorado has evolved to not only support  
6 economic growth through tourism, but also to address the social, cultural,  
7 and environmental issues related to tourism. In addition to inspiring travel  
8 to and within a destination and enhancing a visitor's experience,  
9 destination marketing and management organizations now use their  
10 expertise to protect our destinations' cultural and natural assets and  
11 improve our residents' quality of life. For example, the Colorado tourism  
12 office has embedded destination stewardship and sustainable travel  
13 principles into its strategic plans, annual campaigns, and key  
14 programming.

1 (b) Destination marketing and management organizations across  
2 the state are increasingly using their marketing budgets and robust  
3 communication channels to disperse travelers and educate visitors on how  
4 to travel responsibly and lessen their impact. With values-based  
5 marketing campaigns and educational programs like the Colorado tourism  
6 office's "Care for Colorado" and "Do Colorado Right", these  
7 organizations are well-positioned to deliver messages that encourage the  
8 positive change our communities ask all visitors--local, domestic, and  
9 international--to adopt while in Colorado.

10 (c) The strides and responsive nature of this marketing approach  
11 play a key role in ensuring that visitors responsibly enjoy their stays in the  
12 state. A visitor's experience is also heavily influenced by the host  
13 community's ability to support their residents and local workforce with  
14 housing and other essential services, as well as a strong quality of life that  
15 comes with our amazing natural and cultural assets. A thriving  
16 community ensures more positive visitor interactions and experiences in  
17 our restaurants, on our trails, and throughout our main streets. This, in  
18 turn, increases the likelihood that a visitor will return and continue to  
19 support our local businesses. Robust support for our residents' needs is  
20 essential to the long-term health of both our communities and our  
21 economy.

22 **SECTION 2.** In Colorado Revised Statutes, 29-25-111, **amend**  
23 (1)(e) as follows:

24 **29-25-111. General powers of district.** (1) The district has the  
25 following powers, except as limited by the operating plan:

26 (e) (I) To provide any of the following services within the district:

27 (A) Organization, promotion, marketing, and management of

1 public events;

2 (B) Activities in support of business recruitment, management,  
3 and development;

4 (C) Coordinating tourism promotion activities;

5 (D) HOUSING AND CHILDCARE FOR THE TOURISM-RELATED  
6 WORKFORCE, INCLUDING SEASONAL WORKERS, AND FOR OTHER WORKERS  
7 IN THE COMMUNITY; OR

8 (E) FACILITATING AND ENHANCING VISITOR EXPERIENCES.

9 (II) No revenue collected from the marketing and promotion tax  
10 levied under section 29-25-112 may be used for any capital expenditures,  
11 with the exception of:

12 (A) CAPITAL EXPENDITURES FOR HOUSING AND CHILDCARE FOR  
13 THE TOURISM-RELATED WORKFORCE, INCLUDING SEASONAL WORKERS,  
14 AND FOR OTHER WORKERS IN THE COMMUNITY;

15 (B) CAPITAL EXPENDITURES RELATED TO FACILITATING AND  
16 ENHANCING VISITOR EXPERIENCES; OR

17 (C) Tourist information centers.

18 **SECTION 3.** In Colorado Revised Statutes, 29-25-112, **amend**  
19 (1)(a) as follows:

20 **29-25-112. Power to levy tax.** (1) (a) In addition to any other  
21 means of providing revenue for a district, the board has the power within  
22 the district to levy a marketing and promotion tax on the purchase price  
23 paid or charged to persons for rooms or accommodations as included in  
24 the definition of "sale" in section 39-26-102 (11). ~~C.R.S.~~ Such tax shall  
25 be specified in the petition organizing the district under section  
26 29-25-105. No such tax shall take effect unless approved by a majority of  
27 the eligible electors voting thereon at a general election or a special

1 election called for such purpose. IF A DISTRICT SEEKS TO USE THE TAX  
2 REVENUE FOR A PURPOSE SPECIFIED IN SUBSECTION (1)(e)(I)(D) OR  
3 (1)(e)(I)(E) OF THIS SECTION, THEN THE BALLOT ISSUE AUTHORIZING THE  
4 USE MUST SPECIFY HOW THE DISTRICT WILL SPEND THE TAX REVENUE  
5 UNDER EITHER SUBSECTION. IF THE ALLOWABLE USES OF REVENUE FROM  
6 A TAX APPROVED BY VOTERS PRIOR TO JANUARY 1, 2022, DO NOT INCLUDE  
7 AN ADDITIONAL AUTHORIZED USE ADDED TO SECTION 29-25-111 (1)(e)  
8 AFTER JANUARY 1, 2022, THE DISTRICT SHALL NOT USE THE TAX REVENUE  
9 FOR THE ADDITIONAL USE UNLESS SUBSEQUENTLY APPROVED BY VOTERS  
10 AT A GENERAL ELECTION OR A SPECIAL ELECTION. IF, AFTER JANUARY 1,  
11 2022, THERE IS A NEW TAX CREATED OR THE ALLOWABLE USES OF AN  
12 EXISTING TAX ARE EXPANDED, AT LEAST TEN PERCENT OF THE TAX  
13 REVENUE MUST BE USED FOR PURPOSES THAT WERE AUTHORIZED UNDER  
14 SECTION 29-25-111 (1)(e) PRIOR TO JANUARY 1, 2022. Elections held  
15 pursuant to this section shall be conducted in substantially the same  
16 manner as municipal or county elections and in accordance with the  
17 provisions of section 20 of article X of the state constitution. The  
18 municipal or county clerk and recorder of each local government in which  
19 the election is conducted shall assist the district in conducting the  
20 election. The district shall pay the costs incurred by each local  
21 government in conducting such an election. No ~~moneys~~ MONEY of the  
22 district may be used to urge or oppose passage of an election required  
23 under this section.

24 **SECTION 4.** In Colorado Revised Statutes, 30-11-107.5, **amend**  
25 (1), (3)(b)(I), (3)(e), (3)(f)(I), (4)(a), and (4)(b); and **add** (1.5),  
26 (3)(a.5), and (3)(g) as follows:

27 **30-11-107.5. Lodging tax.** (1) In accordance with the procedures

1 set forth in this section, the board of county commissioners of each  
2 county, for the purpose of advertising and marketing local tourism ONE  
3 OR MORE OF THE PURPOSES SPECIFIED IN SUBSECTION (1.5) OF THIS  
4 SECTION, may levy a county lodging tax of not more than two percent on  
5 the purchase price paid or charged to persons for rooms or  
6 accommodations as included in the definition of "sale" in section  
7 39-26-102 (11). ~~C.R.S.~~ No tax shall apply within any municipality levying  
8 a lodging tax.

9 (1.5) (a) SUBJECT TO THE LIMITATION SET FORTH IN SUBSECTION  
10 (1.5)(b) OF THIS SECTION, A COUNTY BOARD OF COMMISSIONERS MAY LEVY  
11 THE TAX SPECIFIED IN SUBSECTION (1) OF THIS SECTION FOR THE PURPOSE  
12 OF:

- 13 (I) ADVERTISING AND MARKETING LOCAL TOURISM;
- 14 (II) HOUSING AND CHILDCARE FOR THE TOURISM-RELATED  
15 WORKFORCE, INCLUDING SEASONAL WORKERS, AND FOR OTHER WORKERS  
16 IN THE COMMUNITY; OR
- 17 (III) FACILITATING AND ENHANCING VISITOR EXPERIENCES.

18 (b) IF, AFTER JANUARY 1, 2022, THERE IS A NEW LODGING TAX  
19 CREATED OR THE ALLOWABLE USES OF AN EXISTING LODGING TAX ARE  
20 EXPANDED IN ACCORDANCE WITH SUBSECTION (3)(a.5) OF THIS SECTION,  
21 AT LEAST TEN PERCENT OF THE LODGING TAX REVENUE MUST BE USED FOR  
22 THE PURPOSE OF ADVERTISING AND MARKETING LOCAL TOURISM.

23 ~~(3) (a.5) IF, PRIOR TO JANUARY 1, 2022, THE VOTERS OF A COUNTY  
24 APPROVED A COUNTY LODGING TAX FOR THE PURPOSE OF ADVERTISING  
25 AND MARKETING LOCAL TOURISM, THE BOARD OF COUNTY  
26 COMMISSIONERS MAY, BY RESOLUTION, APPROVE A PROPOSAL TO ALLOW  
27~~

1 THE COUNTY LODGING TAX REVENUES TO ALSO BE USED FOR ANY OF THE  
2 ADDITIONAL PURPOSES SPECIFIED IN SUBSECTION (1.5) OF THIS SECTION.  
3 THE COUNTY SHALL REFER THE PROPOSAL TO THE REGISTERED ELECTORS  
4 OF THE UNINCORPORATED AREAS AND THE MUNICIPALITIES SUBJECT TO  
5 THE LODGING TAX AT THE NEXT GENERAL ELECTION.

6 (b) (I) ~~Such~~ A proposal ~~shall~~ FOR A COUNTY LODGING TAX UNDER  
7 SUBSECTION (3)(a) OF THIS SECTION MUST contain a description of the  
8 proposed county lodging tax, ~~including its purposes, and shall~~ MUST state  
9 the amount to be imposed, and ~~shall~~ MUST describe any municipality  
10 within the county ~~which~~ THAT has such a tax and ~~which shall~~ IS therefore  
11 ~~be~~ excluded from the election proposed in ~~paragraph (a) of this subsection~~  
12 ~~(3)~~ SUBSECTION (3)(a) OF THIS SECTION and any resulting lodging tax.

13 (e) Upon the adoption of the resolution by the board of county  
14 commissioners approving ~~such~~ A county lodging tax proposal IN  
15 ACCORDANCE WITH SUBSECTION (3)(a) OR (3)(a.5) OF THIS SECTION, the  
16 county clerk and recorder shall publish the text of ~~such county lodging tax~~  
17 THE proposal four separate times, a week apart, in a newspaper of general  
18 circulation within the county. The cost of the election ~~shall~~ MUST be  
19 initially paid out of the general fund of the county. If the county lodging  
20 tax is approved, the general fund of the county ~~shall~~ MUST be reimbursed  
21 out of the county lodging tax ~~tourism~~ fund described in ~~paragraph (a) of~~  
22 ~~subsection (4)~~ SUBSECTION (4)(a) of this section. The conduct of the  
23 election shall conform, so far as practicable, to the general election laws  
24 of the state.

25 (f) (I) If A PROPOSAL FOR A COUNTY LODGING TAX UNDER  
26 SUBSECTION (3)(a) OF THIS SECTION IS approved by a majority of the  
27 registered electors from the municipality or unincorporated area subject

1 to the lodging tax voting thereon, the county lodging tax shall become  
2 BECOMES effective as provided in section 29-2-106 (2). ~~C.R.S.~~ IF A  
3 PROPOSAL TO EXPAND THE ALLOWABLE USES UNDER SUBSECTION (3)(a.5)  
4 OF THIS SECTION IS APPROVED BY A MAJORITY OF THE REGISTERED  
5 ELECTORS FROM THE MUNICIPALITY OR UNINCORPORATED AREA VOTING  
6 THEREON, THE COUNTY MAY ALSO USE THE LODGING TAX REVENUE FOR  
7 ANY OF THE ADDITIONAL APPROVED USES AS SPECIFIED IN SUBSECTION  
8 (1.5) OF THIS SECTION.

9 (g) IF A COUNTY SEEKS TO USE LODGING TAX REVENUE FOR A  
10 PURPOSE SPECIFIED IN SUBSECTION (1.5)(a)(II) OR (1.5)(a)(III) OF THIS  
11 SECTION, THEN THE BALLOT ISSUE AUTHORIZING THE USE MUST SPECIFY  
12 HOW THE COUNTY WILL SPEND THE LODGING TAX REVENUE UNDER EITHER  
13 SUBSECTION.

14 (4) (a) All revenue collected from such county lodging tax, except  
15 the amounts retained under subsection (2) of this section, shall be credited  
16 to a special fund designated as the county lodging tax ~~tourism~~ fund,  
17 hereby created. The fund shall be used only ~~to advertise and market~~  
18 ~~tourism in accordance with paragraphs (b) and (c) of this subsection (4)~~  
19 FOR THE PURPOSES APPROVED BY VOTERS and to reimburse the general  
20 fund of the county for the cost of the election in accordance with  
21 ~~paragraph (d) of subsection (3)~~ SUBSECTION (3)(d) of this section. No  
22 revenue collected from such county lodging tax shall be used for any  
23 capital expenditures, with the exception of:

24 (I) CAPITAL EXPENDITURES FOR HOUSING AND CHILDCARE FOR THE  
25 TOURISM-RELATED WORKFORCE, INCLUDING SEASONAL WORKERS, AND  
26 FOR OTHER WORKERS IN THE COMMUNITY;

27 (II) CAPITAL EXPENDITURES RELATED TO FACILITATING AND



1 ENHANCING VISITOR EXPERIENCES; OR

2 (III) Tourist information centers.

3 (b) Upon approval of a lodging tax FOR THE PURPOSE OF  
4 ADVERTISING AND MARKETING LOCAL TOURISM by the electors pursuant  
5 to this section, the county commissioners shall select a panel of no less  
6 than three citizens to administer the ~~tourism~~ LODGING TAX fund; EXCEPT  
7 THAT, IF THE MONEY IN THE FUND MAY ALSO BE USED FOR ANY OTHER  
8 PURPOSE, THEN THE PANEL SHALL ONLY ADMINISTER THE PORTION OF THE  
9 FUND THAT THE BOARD OF COUNTY COMMISSIONERS IDENTIFIES AS BEING  
10 AVAILABLE FOR ADVERTISING AND MARKETING LOCAL TOURISM. THE  
11 COUNTY COMMISSIONERS SHALL APPOINT ~~members of the panel shall be~~  
12 ~~appointed~~ from the tourism industry within the municipalities or  
13 unincorporated areas from which the lodging tax is collected. Where there  
14 is an established and proven marketing entity within the county formed  
15 for the purpose of advertising and marketing tourism, the panel is  
16 encouraged to use that entity, and that entity shall provide an accounting  
17 to the panel and to the county commissioners.

18 **SECTION 5. Act subject to petition - effective date.** ■ This  
19 act takes effect at 12:01 a.m. on the day following the expiration of the  
20 ninety-day period after final adjournment of the general ■ assembly;  
21 except that, if a referendum petition is filed pursuant to section 1 (3) of  
22 article V of the state constitution against this act or an item, section, or  
23 part of this act within such period, then the act, item, section, or part will  
24 not take effect unless approved by the people at the general election to be  
25 held in November 2022 and, in such case, will take effect on the date of  
26 the official declaration of the vote thereon by the governor.

27 ■