

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0053.01 Ed DeCecco x4216

HOUSE BILL 22-1117

HOUSE SPONSORSHIP

Roberts and Catlin,

SENATE SPONSORSHIP

Coram and Donovan,

House Committees
Finance

Senate Committees

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.

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.

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

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

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

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

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 tourist information centers.

24 (b) Upon approval of a lodging tax FOR THE PURPOSE OF
25 ADVERTISING AND MARKETING LOCAL TOURISM by the electors pursuant
26 to this section, the county commissioners shall select a panel of no less
27 than three citizens to administer the ~~tourism~~ LODGING TAX fund; EXCEPT

1 THAT, IF THE MONEY IN THE FUND MAY ALSO BE USED FOR ANY OTHER
2 PURPOSE, THEN THE PANEL SHALL ONLY ADMINISTER THE PORTION OF THE
3 FUND THAT THE BOARD OF COUNTY COMMISSIONERS IDENTIFIES AS BEING
4 AVAILABLE FOR ADVERTISING AND MARKETING LOCAL TOURISM. THE
5 COUNTY COMMISSIONERS SHALL APPOINT ~~members of the panel shall be~~
6 ~~appointed~~ from the tourism industry within the municipalities or
7 unincorporated areas from which the lodging tax is collected. Where there
8 is an established and proven marketing entity within the county formed
9 for the purpose of advertising and marketing tourism, the panel is
10 encouraged to use that entity, and that entity shall provide an accounting
11 to the panel and to the county commissioners.

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

21 ■