

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 25-0781.01 Megan McCall x4215

HOUSE BILL 25-1247

HOUSE SPONSORSHIP

Stewart K. and McCormick, Bacon, Boesenecker, Duran, Lindsay, Lukens, McCluskie,
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SENATE SPONSORSHIP

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House Committees

Transportation, Housing & Local Government

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A BILL FOR AN ACT

101 **CONCERNING EXPANSION OF THE COUNTY LODGING TAX.**

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>.)

Under current law, counties may levy a county lodging tax (tax) of up to 2% on the purchase price paid or charged to persons for rooms or accommodations. Revenue from the tax is allowed to be used for the following purposes:

- Advertising and marketing local tourism;
- Housing and childcare for the tourism-related workforce;
- or
- Facilitating and enhancing visitor experiences.

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

HOUSE
3rd Reading Unamended
March 10, 2025

HOUSE
Amended 2nd Reading
March 7, 2025

Subject to local voter approval, the bill increases the allowed rate of the tax to up to 6% and expands the allowed uses to the following additional purposes:

- Public infrastructure maintenance or improvements;
- Preservation of natural landscapes and wildlife habitats and promotion of sustainable tourism practices;
- Cultural and historical preservation through restoration and maintenance of historical sites, museums, and cultural institutions; or
- Enhancing public safety measures by funding local law enforcement, fire departments, and emergency medical services.

If a county received voter approval before January 1, 2025, to specifically allocate portions of revenue from the lodging tax to allowed uses for designated purposes, the bill clarifies how those previously approved allocations are preserved and how revenue attributable to an increase in the tax rate may be allocated by the county.

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

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

6 **30-11-107.5. Lodging tax.** (1) In accordance with the procedures
7 set forth in this section, the board of county commissioners of each
8 county, for one or more of the purposes specified in subsection (1.5) of
9 this section, may levy a county lodging tax of not more than ~~two~~ **FIVE**
10 percent on the purchase price paid or charged to persons for rooms or
11 accommodations as included in the definition of "sale" in section
12 39-26-102 (11); ~~No tax shall~~ EXCEPT THAT THE TAX DOES NOT apply
13 within any municipality levying a lodging tax.

14 (1.5) (a) Subject to the limitation set forth in subsection (1.5)(b)
15 of this section, a county board of commissioners may levy the tax
16 specified in subsection (1) of this section for the purpose of:

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

3 (IV) PUBLIC INFRASTRUCTURE MAINTENANCE OR IMPROVEMENTS;

4 ~~OR~~

5

6 (V) ENHANCING PUBLIC SAFETY MEASURES BY FUNDING LOCAL
7 LAW ENFORCEMENT, FIRE DEPARTMENTS, AND EMERGENCY MEDICAL
8 SERVICES.

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

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

22 (3) (a) The board of county commissioners may, by resolution,
23 approve a proposal for a county lodging tax OR TO INCREASE THE RATE OF
24 AN EXISTING LODGING TAX; thereupon, such proposal for the county
25 lodging tax OR INCREASED RATE shall be referred to the registered electors
26 of the unincorporated areas and the municipalities subject to the lodging
27 tax at a ~~special~~ GENERAL OR A COORDINATED election. ~~held for such~~

1 ~~purpose. Any such election may be combined with any other special~~
2 ~~election. On and after January 1, 1989, such tax may only be approved at~~
3 ~~a general election.~~

4 (a.5) If, prior to January 1, 2022, the voters of a county approved
5 a county lodging tax for the purpose of advertising and marketing local
6 tourism, the board of county commissioners may, by resolution, approve
7 a proposal to allow the county lodging tax revenues to also be used for
8 any of the additional purposes specified in ~~subsection (1.5)~~ SUBSECTION
9 (1.5)(a)(II) OR (1.5)(a)(III) of this section. The county shall refer the
10 proposal to the registered electors of the unincorporated areas and the
11 municipalities subject to the lodging tax at the next general OR
12 COORDINATED election.

13 (a.7) IF, PRIOR TO JANUARY 1, 2025, THE VOTERS OF A COUNTY
14 APPROVED A COUNTY LODGING TAX FOR THE PURPOSES SPECIFIED IN
15 SUBSECTION (1.5)(a)(I), (1.5)(a)(II), OR (1.5)(a)(III) OF THIS SECTION, THE
16 BOARD OF COUNTY COMMISSIONERS MAY, BY RESOLUTION, APPROVE A
17 PROPOSAL TO ALLOW THE COUNTY LODGING TAX REVENUES TO ALSO BE
18 USED FOR ANY OF THE ADDITIONAL PURPOSES SPECIFIED IN SUBSECTION
19 (1.5)(a)(IV) OR (1.5)(a)(V) OF THIS SECTION.

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

26 (f) (I) If a proposal for a county lodging tax OR AN INCREASE IN
27 THE RATE OF AN EXISTING LODGING TAX under subsection (3)(a) of this

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

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

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

23 (A) THE DOLLAR AMOUNT OR PERCENTAGE OF THE LODGING TAX
24 REVENUE DEDICATED TO VOTER-APPROVED PURPOSES UNDER THE TAX
25 RATE IN EFFECT AT THE TIME OF THE VOTER APPROVAL REMAINS IN EFFECT
26 AS A BASELINE REGARDLESS OF ANY SUBSEQUENTLY APPROVED TAX RATE
27 INCREASE OR APPROVAL OF ADDITIONAL ALLOWABLE USES. ANY

1 ADDITIONAL ALLOCATION OF REVENUE PURSUANT TO SUBSECTION
2 (3)(h)(II) OF THIS SECTION DOES NOT REDUCE OR OTHERWISE AFFECT THE
3 BASELINE ALLOCATION PRESERVED IN THIS SUBSECTION (3)(h)(I).

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

8 (II) A COUNTY THAT RECEIVES VOTER APPROVAL FOR AN INCREASE
9 IN THE TAX RATE AFTER JANUARY 1, 2025, IN ACCORDANCE WITH
10 SUBSECTION (3)(a) OF THIS SECTION AND THAT BEFORE JANUARY 1, 2025,
11 RECEIVED VOTER APPROVAL TO SPECIFICALLY ALLOCATE LODGING TAX
12 REVENUE UNDER A LOWER RATE MAY ALLOCATE THE REVENUE
13 ATTRIBUTABLE TO THE DIFFERENCE BETWEEN THE PREVIOUSLY APPROVED
14 LOWER RATE AND THE NEWLY APPROVED INCREASED RATE FOR ANY
15 PURPOSES ALLOWED IN SUBSECTION (1.5)(a) OF THIS SECTION INCLUDING
16 THE DESIGNATED PURPOSES THAT PREVIOUSLY RECEIVED VOTER
17 APPROVAL FOR SPECIFIC ALLOCATIONS OF LODGING TAX REVENUE UNDER
18 THE TAX RATE AT THE TIME OF THAT VOTER APPROVAL. THE COUNTY MUST
19 BE ABLE TO CLEARLY DELINEATE THE AMOUNT OF LODGING TAX REVENUE
20 THAT IS SPECIFICALLY ALLOCATED IN ACCORDANCE WITH PRIOR VOTER
21 APPROVAL BASED ON THE TAX RATE AT THE TIME OF THAT VOTER
22 APPROVAL, ANY ADDITIONAL ALLOCATIONS THE COUNTY MAKES TO THE
23 PURPOSES THAT RECEIVED VOTER APPROVAL FOR THE SPECIFIC
24 ALLOCATIONS, AND ALLOCATIONS OF LODGING TAX REVENUE FOR
25 ADDITIONAL PURPOSES SPECIFIED IN SUBSECTION (1.5)(a)(IV) OR
26 (1.5)(a)(V) OF THIS SECTION THAT THE COUNTY RECEIVES VOTER
27 APPROVAL FOR IN ACCORDANCE WITH SUBSECTION (3)(a.7) OF THIS

1 SECTION.

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

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

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

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

20 ~~(III) Tourist information centers.~~

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