

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

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.

---

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

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

4 **29-25-111. General powers of district.** (1) The district has the  
5 following powers, except as limited by the operating plan:

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

7 (A) Organization, promotion, marketing, and management of  
8 public events;

9 (B) Activities in support of WORKFORCE OR business recruitment,  
10 management, and development;

11 (C) Coordinating tourism promotion activities; OR

12 (D) FACILITATING AND ENHANCING VISITOR EXPERIENCES.

13 (II) No revenue collected from the marketing and promotion tax  
14 levied under section 29-25-112 may be used for any capital expenditures,

1 with the exception of:

2 (A) CAPITAL EXPENDITURES RELATED TO WORKFORCE OR  
3 BUSINESS RECRUITMENT, MANAGEMENT, AND DEVELOPMENT;

4 (B) CAPITAL EXPENDITURES RELATED TO FACILITATING AND  
5 ENHANCING VISITOR EXPERIENCES; OR

6 (C) Tourist information centers.

7 **SECTION 2.** In Colorado Revised Statutes, 29-25-112, **amend**  
8 (1)(a) as follows:

9 **29-25-112. Power to levy tax.** (1) (a) In addition to any other  
10 means of providing revenue for a district, the board has the power within  
11 the district to levy a marketing and promotion tax on the purchase price  
12 paid or charged to persons for rooms or accommodations as included in  
13 the definition of "sale" in section 39-26-102 (11). ~~C.R.S.~~ Such tax shall  
14 be specified in the petition organizing the district under section  
15 29-25-105. No such tax shall take effect unless approved by a majority of  
16 the eligible electors voting thereon at a general election or a special  
17 election called for such purpose. IF THE ALLOWABLE USES OF REVENUE  
18 FROM A TAX APPROVED BY VOTERS PRIOR TO JANUARY 1, 2022, DO NOT  
19 INCLUDE AN ADDITIONAL AUTHORIZED USE ADDED TO SECTION 29-25-111  
20 (1)(e) AFTER JANUARY 1, 2022, THE DISTRICT SHALL NOT USE THE TAX  
21 REVENUE FOR THE ADDITIONAL USE UNLESS SUBSEQUENTLY APPROVED BY  
22 VOTERS AT A GENERAL ELECTION OR A SPECIAL ELECTION. Elections held  
23 pursuant to this section shall be conducted in substantially the same  
24 manner as municipal or county elections and in accordance with the  
25 provisions of section 20 of article X of the state constitution. The  
26 municipal or county clerk and recorder of each local government in which  
27 the election is conducted shall assist the district in conducting the

1 election. The district shall pay the costs incurred by each local  
2 government in conducting such an election. No ~~moneys~~ MONEY of the  
3 district may be used to urge or oppose passage of an election required  
4 under this section.

5 **SECTION 3.** In Colorado Revised Statutes, 30-11-107.5, **amend**  
6 (1), (2)(c), (3)(b)(I), (3)(e), (3)(f)(I), (4)(a), and (4)(b); and **add** (1.5) and  
7 (3)(a.5) as follows:

8 **30-11-107.5. Lodging tax.** (1) In accordance with the procedures  
9 set forth in this section, the board of county commissioners of each  
10 county, ~~for the purpose of advertising and marketing local tourism~~ ONE  
11 OR MORE OF THE PURPOSES SPECIFIED IN SUBSECTION (1.5) OF THIS  
12 SECTION, may levy a county lodging tax of not more than two percent on  
13 the purchase price paid or charged to persons for rooms or  
14 accommodations as included in the definition of "sale" in section  
15 39-26-102 (11). ~~C.R.S.~~ No tax shall apply within any municipality levying  
16 a lodging tax.

17 (1.5) A COUNTY BOARD OF COMMISSIONERS MAY LEVY THE TAX  
18 SPECIFIED IN SUBSECTION (1) OF THIS SECTION FOR THE PURPOSE OF:

- 19 (a) ADVERTISING AND MARKETING LOCAL TOURISM;
- 20 (b) ECONOMIC DEVELOPMENT;
- 21 (c) WORKFORCE RECRUITMENT, MANAGEMENT, AND  
22 DEVELOPMENT; OR
- 23 (d) FACILITATING AND ENHANCING VISITOR EXPERIENCES.

24 (2) (c) Any person or entity providing rooms or accommodations  
25 as included in the definition of "sale" referred to in subsection (1) of this  
26 section ~~shall be~~ IS liable and responsible for the payment of an amount  
27 equivalent of up to two percent of all such sales made and shall ~~quarterly~~

1 ~~unless otherwise provided by law,~~ make a return to the executive director  
2 of the department of revenue for the preceding tax-reporting period and  
3 remit an amount equivalent up to the said two percent on such sales to  
4 ~~said~~ THE executive director WITH THE SAME FILING FREQUENCY AS THE  
5 PERSON OR ENTITY REMITS AND FILES SALES TAX PURSUANT TO SECTION  
6 39-26-105.

7 (3) (a.5) IF, PRIOR TO JANUARY 1, 2022, THE VOTERS OF A COUNTY  
8 APPROVED A COUNTY LODGING TAX FOR THE PURPOSE OF ADVERTISING  
9 AND MARKETING LOCAL TOURISM, THE BOARD OF COUNTY  
10 COMMISSIONERS MAY, BY RESOLUTION, APPROVE A PROPOSAL TO ALLOW  
11 THE COUNTY LODGING TAX REVENUES TO ALSO BE USED FOR ANY OF THE  
12 ADDITIONAL PURPOSES SPECIFIED IN SUBSECTION (1.5) OF THIS SECTION.  
13 THE COUNTY SHALL REFER THE PROPOSAL TO THE REGISTERED ELECTORS  
14 OF THE UNINCORPORATED AREAS AND THE MUNICIPALITIES SUBJECT TO  
15 THE LODGING TAX AT THE NEXT GENERAL ELECTION.

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

23 (e) Upon the adoption of the resolution by the board of county  
24 commissioners approving ~~such~~ A county lodging tax proposal IN  
25 ACCORDANCE WITH SUBSECTION (3)(a) OR (3)(a.5) OF THIS SECTION, the  
26 county clerk and recorder shall publish the text of ~~such county lodging tax~~  
27 THE proposal four separate times, a week apart, in a newspaper of general

1 circulation within the county. The cost of the election ~~shall~~ MUST be  
2 initially paid out of the general fund of the county. If the county lodging  
3 tax is approved, the general fund of the county ~~shall~~ MUST be reimbursed  
4 out of the county lodging tax ~~tourism~~ fund described in ~~paragraph (a) of~~  
5 ~~subsection (4)~~ SUBSECTION (4)(a) of this section. The conduct of the  
6 election shall conform, so far as practicable, to the general election laws  
7 of the state.

8 (f) (I) If A PROPOSAL FOR A COUNTY LODGING TAX UNDER  
9 SUBSECTION (3)(a) OF THIS SECTION IS approved by a majority of the  
10 registered electors from the municipality or unincorporated area subject  
11 to the lodging tax voting thereon, the county lodging tax ~~shall become~~  
12 BECOMES effective as provided in section 29-2-106 (2). ~~C.R.S.~~ IF A  
13 PROPOSAL TO EXPAND THE ALLOWABLE USES UNDER SUBSECTION (3)(a.5)  
14 OF THIS SECTION IS APPROVED BY A MAJORITY OF THE REGISTERED  
15 ELECTORS FROM THE MUNICIPALITY OR UNINCORPORATED AREA VOTING  
16 THEREON, THE COUNTY MAY ALSO USE THE LODGING TAX REVENUE FOR  
17 ANY OF THE ADDITIONAL APPROVED USES AS SPECIFIED IN SUBSECTION  
18 (1.5) OF THIS SECTION.

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

1 capital expenditures, with the exception of tourist information centers.

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

17 **SECTION 4. Act subject to petition - effective date.** (1) This  
18 act takes effect at 12:01 a.m. on the day following the expiration of the  
19 ninety-day period after final adjournment of the general assembly or on  
20 January 1, 2023, as specified in subsection (2) of this section; except that,  
21 if a referendum petition is filed pursuant to section 1 (3) of article V of  
22 the state constitution against this act or an item, section, or part of this act  
23 within such period, then the act, item, section, or part will not take effect  
24 unless approved by the people at the general election to be held in  
25 November 2022 and, in such case, will take effect on the date of the  
26 official declaration of the vote thereon by the governor.

1           (2) Section 30-11-107.5 (2)(c), Colorado Revised Statutes, as  
2 amended in section 3 of this act takes effect January 1, 2023.