

	County Lodging Tax	City/Town Lodging Tax	Local Marketing District (LMD)	Tourism Improvement District (TID)	Excise Tax
Creation	<ul style="list-style-type: none"> Initiated by the Board of County Commissioners (BOCC) Ballot initiative needs majority of voter approval in taxed area If approved, creates County-wide lodging tax 	<ul style="list-style-type: none"> Initiated by City/Town Council Ballot initiative needs majority of voter approval in taxed area If approved, creates City/Town-wide tax on lodging 	<ul style="list-style-type: none"> Initiated by petition from businesses with majority of commercial real estate value in proposed area is filed office of clerk of governing body Petition must include boundaries, governance and items listed in statute link below Hold two public hearings Governing body can then create a proposal to voters for new local marketing district that is a quasi-governmental organization. This requires the creation of a bond to cover expenses in the creation of the district, and may require intergovernmental agreements if a city/town is within the district being created by the county Ballot initiative needs majority of voter approval within the district for creation of district, creation of bond, and creation of tax 	<ul style="list-style-type: none"> Governing body establishes an ordinance for procedure to create TID Ordinance includes TID establishment petition procedures with minimum requirements such as majority of lodging properties with 50+ rooms (Denver) or lodging properties making up 50+% of hotel rooms (Fort Collins) in proposed district Initiated by petition from businesses in proposed district who will be taxed Petition includes name of proposed district, purpose, location/boundaries, board governance, and other requirements based on the local ordinance(s) Should petition meet requirements, local TID establishment ordinance procedures are followed including hearings, public communication, and establishment rules Governing body then creates 'district' or quasi-governmental body, and empowers TID board with powers established in local TID ordinance that usually includes the ability to tax businesses identified in the petition 	<ul style="list-style-type: none"> Initiated by governing body Established under the authority granted by the Colorado Constitution Article XX, Section 6, to cities/towns the power to levy taxes Majority voter approval needed Creates jurisdiction-wide tax on specific industry (e.g. restaurants, short-term rentals, etc)
Administration of Revenue	<ul style="list-style-type: none"> Collections administered by state including Short-Term Rentals Tourism panel of at least 3 tourism industry professionals appointed by county commission BOCC sets up special fund for panel to use to market the county 	<ul style="list-style-type: none"> Collection of tax by City/Town Can be administered as a percentage or a fee NOTE: Fee grows based on room night demand, percentage grows based on lodging revenue 	<ul style="list-style-type: none"> Collections administered by state including Short-Term Rentals Board of directors that oversees the use of the funds Must get approval on an operating plan and budget with the local government(s) annually 	<ul style="list-style-type: none"> Collections of tax by governing body Establishment of a board of directors that oversees the use of the funds Depending on local TID, could require filing of an operating plan and budget with the governing bodies annually 	<ul style="list-style-type: none"> Collections depends on city/town established process with state Local ordinance establishes amount, exemptions, collections and penalties
Limitations	<ul style="list-style-type: none"> Limited to 2% tax on lodging Must be used for tourism promotion Not collected in municipalities within the county leveraging a city/town lodging tax 	<ul style="list-style-type: none"> No limit on amount Restrictions on use only limited to what voters pass Follows municipality boundaries Cuts whole in county lodging tax collections including STR 	<ul style="list-style-type: none"> No limit on amount Uses limited to promotion, marketing and management of tourism and public events; Activities in support of business recruitment, management, and development Cannot be used for capital expenditures 	<ul style="list-style-type: none"> Use and amount only limited to what is approved Boundaries can be up to governing body jurisdiction 	<ul style="list-style-type: none"> Use and amount only limited to what is approved Boundaries follow jurisdiction boundaries
Benefits	<ul style="list-style-type: none"> Collected by state, reducing local government burden Automatically collects from short-term rentals due to state relationship with agencies 	<ul style="list-style-type: none"> No limits on uses or amount 	<ul style="list-style-type: none"> Collected by state, reducing local government burden No limit on amount LMD Tax can be collected on top of other County/City/Town lodging taxes Automatically collects from short-term rentals due to state relationship with agencies 	<ul style="list-style-type: none"> Empowers businesses to create self-imposed tax without voter approval New businesses within district automatically entered No limit on amount or uses TID can be collected on top of other County/City/Town lodging taxes 	<ul style="list-style-type: none"> No limit on amount or uses Can be collected on top of other County/City/Town lodging taxes
Process to Change Tax or District	<ul style="list-style-type: none"> County Commission must have voter approval to create, increase, or change use of this tax 	<ul style="list-style-type: none"> Most City/Town taxes are setup so City/Town Council has the authority to reduce or repeal this tax without voter approval Per Colorado Constitution, voter approval is needed to create, increase or change use of tax beyond what the voters approved 	<ul style="list-style-type: none"> Petition to dissolve filed following same rules as creation or failure to file operating plan for two years with governing body Two public hearings Governing body can then pass resolution to dissolve district and the tax lifts once any remaining financial debts of the district are paid 	<ul style="list-style-type: none"> Rules of dissolving TID are established in the original ordinance Some current methods include City Manager petitioning City Council to dissolve based on failure to report for two years, financial mismanagement, or a petition to dissolve following same rules to create Dissolution happens once the district is free and clear of its financial and contractual obligations 	<ul style="list-style-type: none"> Defined by ordinance creating tax Governing body can vote to reduce or repeal the tax without voter approval Voter approval needed for increase of tax rate, or uses beyond what voters originally approved
Related Legislation	County Statute Title 30, Article 11-1075	Sample City/Town Percentage Lodging Tax in Sterling	Colorado Statute Title 29, Article 25	Sample Colorado Tourism Improvement District in Fort Collins Establishment	Sample Restaurant and Bar Tax in Mountain Village to fund Telluride Airport Flights
Supporting Materials	List of County Lodging Taxes	Sample City/Town Lodging Fee in Palisade	Sample Bylaws for Estes Park LMD	Sample Ordinance Establishing TID for Fort Collins	Colorado Constitution