

Question 1. What governmental entities in Colorado have increased their lodging taxes in the past 5 years? Effective dates, rate change amounts, taxing jurisdiction, etc.

Frisco:

Classification of Tax: Lodging Tax

Tax Boundary: Town of Frisco

Municode: [Article IV](#)–The municode has not documented the increase in tax.

Current Tax Rate & Date Established: 7.35%. Lodging Tax will initiate on June 1, 2022

Previous Tax Rate & Date Established : 2.35%. Adopted on January 1, 2004

Additional Details: [Voters have approved an increase in lodging tax by 5%](#) in the 2021 November election.

Avon:

Classification of Tax: Short-term rental excise tax & lodging tax

Tax Boundary: Town of Avon

Municode: [Ch. 3.29 Community Housing Short-Term Rental Excise Tax](#)

Municode: [Ch.3.28 Accommodation Tax](#)

Current Tax Rate & Date Established: 2% Excise Tax on STR. Adopted on January 1, 2022. Public Accommodation Tax: 4%. Adopted on November 1, 1987

Previous Tax Rate & Date Established: There was no previous short-term rental tax

Additional Details: Avon upholds 2 taxes that affect short-term rentals

Crested Butte:

Classification of Tax: Short-term rental excise tax

Tax Boundary: Town of Crested Butte

Municode: [Article 9 Vacation Rental Tax](#).

Current Tax Rate & Date Established: 7.5%. Adopted on January 1, 2022

Previous Tax Rate & Date Established: Unknown Previous Vacation Tax

Additional Details: [The Colorado Sun](#)

Golden:

Classification of Tax: Lodging Tax

Tax Boundary: City of Golden

Municode: [Ch.3.10. Sec.3.10.10 to 3.10. 50](#)

Current Tax Rate & Date Established: 6%. Adopted on January 1, 2022

Previous Tax Rate & Date Established: No previous lodging tax

Additional Details: Revenue earned from the lodging tax is funneled into the newly established in the Golden Lodging Tax Fund

Leadville:

Classification of Tax: Accommodation Tax

Tax Boundary: City of Leadville

Municode: Unable to find Municode relating to Ballot 2A

Current Tax Rate & Date Established: 4.92%. Adopted in January 2022

Previous Tax Rate: 1.92% .

Additional Details: Leadville Election [ballot 2A](#). [Local Coverage of increased lodging tax](#)

Ouray:

Classification of Taxes: Lodging Tax & Short-Term Rental Excise Tax

Tax Boundary: City of Ouray

Municode: [Sect. 3-4 Lodging Occupation Tax & Short-Term Rental Excise Tax](#)

Current Tax Rates & Date Established: Lodging Tax: 3.5%. Adopted in December, 2021.

Short-term rental tax: 15% Adopted on January 1, 2022

Previous Tax Rate & Date Established: To our knowledge, Ouray has not previously upheld any lodging taxes

Additional Details: Excise Tax Election [ballot 2A](#)

Telluride:

Classification of Taxes: Lodging Tax & Excise Tax

Tax Boundary: Town of Telluride

Municode: The lodging tax has not been updated to include the new lodging or excise tax

Current Tax Rate & Date Established: Lodging Tax: 2%. Adopted January 1, 2022.

Short-term rental excise tax: [2.5%](#). [Adopted January 1, 2020](#)

Previous Tax Rate & Date Established: Telluride has not upheld lodging taxes previously

Additional Details: Lodging Tax Election [ballot 2A](#).

Vail:

Classification of Tax: Sales Tax

Tax Boundary: Town of Vail

Municode: The Vail Municode has not documented the tax

Current Tax Rate & Date Established: 4.5%. Adopted on January 1, 2022

Previous Tax Rate & Date Established: 4%. Adopted on January 1, [1968](#)

Additional Details: Sales Tax Election [ballot 2A](#). The tax will be upheld through 2052

Durango:

Classification of Tax: Lodging Tax

Tax Boundary: City of Durango.

Municode: [Article IV. Sec. 23-86 to 23-99](#)

Current Tax Rate & Date Established: 5.25%, Adopted on June 1, 2021

Previous Tax Rate & Date Established: 2%, Adopted on June 1, 1980

Additional Details: [2021-2022 Strategic Plan](#)

Fruita:

Classification of Tax: Lodging Tax

Tax Boundary: City of Fruita

Municode: [Ch. 3.18. Sec. 3.18.10 to 3.18.260](#). The municode has not documented the increase in tax

Current Tax Rate & Date Established: [6%](#). Adopted in 2020 or 2021

Previous Tax Rate & Date Established: 3%. Adopted in December of 1996

Additional Details: [Fruita Comprehensive Plan—January 2020](#)

Grand Junction:

Classification of Tax: Lodging Tax
Tax Boundary: City of Grand Junction
Municode: [Ch. 3.08 Sec. 3.08.10 to Sec. 3.08.170](#)
Current Tax Rate & Date Established: 6%. Adopted in 2019
Previous Tax Rate & Date Established: 3%. Adopted in 1990
Additional Details: [The Daily Sentinel](#)

Cripple Creek:

Classification of Tax: Lodging Tax
Tax Boundary: City of Cripple Creek
Municode: [Ch. 4 Article 8. Lodging Occupation Sec. 4-8-10 to Sec. 4-8-160](#)
Current Tax Rate & Date Established: 6%. Adopted on January 1, 2018
Previous Tax Rate & Date Established: [No Previous Lodging Tax](#)
Additional Details: [The Gazette](#). Prior to the lodging tax passing, lodging tax proposals were shut down multiple times in previous elections.

Silverthorne: Proposal for increased lodging tax

Classification of Tax: Lodging Tax
Tax Boundary: Town of Silverthorne
Municode: [Article XII Lodging Tax. Sec. 1-12-1 to Sec. 1-12-6](#)
Current Tax Rate & Date Established: 2% excise tax on lodging. Adopted on January 1, 1999
Proposed Tax Rate & Election: 6%, voted during the April 2022 Election
Additional Details: [Summit Daily](#)

Question 2. What studies or other data did these communities look at to justify the lodging tax increase?

Not every city conducts a study for justification and publishes their findings. Some are conducting conversations and behind the scenes work to develop a plan for the uses of increased lodging tax.

Key white paper on the impacts of raising lodging taxes conducted by an industry leader in tourism research: 2021 Sage Publication Article discussing the benefits of increasing lodging taxes in destinations across the United States.

Conducted by [Tourism Economics](#) – The Business and Finance of Tourism and Recreation

Several cities are following the lead of other regions in Colorado and justify an increase by demonstrating that their competitors are working with more resources..

Many communities are discussing the recent HB22-1117 Bill that expands the use of lodging tax revenue as a justification for changes to the use of their county or Local Marketing District Taxes. Others that do not have taxes affected by this bill are also discussing changes in amount and uses. It is a hot topic, statewide. – [Channel 9 news](#)

Durango:

[Durango Lodgers Tax White Papers](#)

In order to stay competitive within Colorado and to Durango's competitive destination set, the lodger's tax and total guest tax should remain near the average. According to the Colorado Association of Destination Marketing Organizations (CADMO) 2019 Funding & Budget Report, the average lodgers tax in Colorado is 3.6%. The total guest tax, which is calculated by adding the lodgers tax and sales tax, for the state is 14.2%, and Durango's is 10.4%. This is the total tax amount that appears on a visitor's bill. If adjusting tax based purely on lodgers tax, Durango's tax could increase by 1.6% to remain at the average. If adjusting based on the entire guest tax, Durango's tax could increase by 3%. Based on this data, Visit Durango supports a Lodgers Tax increase of 1.6%-3%. Pg. 5

This document was based on a survey that was conducted of the hoteliers, restaurants and various tourist attractions and was distributed to City and County Council as well as the Visit Durango Board on September 23, 2019. This document outlined the position of the lodgers on various items including increase of lodgers tax, taxation and compliance of private vacation rentals and use of the lodgers tax. That document states "DAHLA would support a 3% increase in the Lodgers Tax. DAHLA (Durango Area Hospitality & Lodgers Association) would designate 2.5% of a 3% increase to Visit Durango and allow the City to determine how the remaining .5% would be allocated. Pg. 7

Golden:

Golden is one of the few cities that did not uphold a lodging tax in the Denver Metro Area (and beyond). 6% is a midrange tax for the Golden Region area.

Glueck (Community & Economic Development Director of Golden) said the city estimates that a 6% lodging tax would initially generate around \$1.5 million per year with that number growing over time. That estimate is based on city lodging occupancy pre-pandemic. –[Golden Transcript](#)

Stakeholder Engagement helped determine their tourism strategic plan

STAKEHOLDER ENGAGEMENT SUMMARY

2	Planning sessions with Visit Golden Steering Committee members
10	Focus Groups with business owners, residents and visitors - 45 total participants
25	Stakeholder Interviews with 45 total participants
50+	Reports, studies and articles reviewed as part of the Secondary Research
100	Consumer Intercept Surveys - 40 with local residents and 60 with out-of-town visitors
264	Respondents to the Golden Resident Survey

Golden [June 2021 Tourism Strategic Plan](#) pg. 12

Lake County / City of Leadville:

In Lake County, there was a 1.92% county-wide lodging tax. The City of Leadville decided they wanted to do something for affordable housing and passed a 4.92% tax, allocating 1.92% to the tourism panel and 3% to affordable housing. There was no need to drum up public support for this as the community was highly in favor of supporting affordable housing and the Mayor/Council wanted to also support tourism, hence their path.

Question 3. What plans were in place for the disbursement of the increased lodging tax collections?

Frisco:

In 2012, Frisco announced the distribution of the lodging tax. This is the listed breakdown

1. 45% for advertising and marketing in the form of funding of the Frisco Information Center.
2. 20% for economic development.
3. 20% for recreational amenities, multi-purpose facilities, and/or open space.
4. 15% for operation and maintenance of recreation amenities, multi-purpose facilities, and/or tourism-related operation and maintenance expenses.

[Article IV](#)

Crested Butte:

Funds are funneled into the Affordable Housing Fund.

[The Colorado Sun](#)

Golden:

The purpose of the lodging tax is to apply revenues derived from the tax during the period commencing January 1, 2022 and ending December 31, 2031 to address visitor impacts and fund community projects and capital improvements as determined by the Golden City Council. Additional funds may then be used to fund any lawful municipal purpose as determined by the City Council.--[City of Golden](#)

Visit Golden saw the absence of a lodging tax as a weakness and an opportunity in their SWOT analysis

[Golden Tourism Page](#)

[June 2021 Tourism Strategic Plan](#) (Developed before lodging tax passed)

Lodging Tax: Based on 2019 occupancy and room rate figures, a 5% tax could generate approximately \$1.5 million per year. That revenue could be used for a Visitor Impact Fund, along with adding some community amenities that benefit both visitors and residents. Pg .11

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Leadville:

In 2022, Leadville increased their lodging tax by 3%. Originally, revenue earned from the 1.92% lodging tax was funneled into the Leadville Tourism Panel. With the increased lodging tax, Leadville will continue providing 1.92% tax revenue to the tourism panel; however, the additional 3% lodging tax revenue will support affordable housing in Leadville. The current lodging tax rate in Leadville is 4.92%.

Ouray:

Short-term rental excise revenue distribution:

- Fifty percent (50%) to debt incurred for the City's wastewater treatment plant and water treatment plant.
- Fifty percent (50%) to funding housing programs

Lodging Tax Revenue Distribution:

- 86.875% to the Tourism Fund, which exists solely for the purposes of destination marketing, management and development to attract visitors to and enhance the visitor experience within the City of Ouray, Colorado.
- 11.875% to the Beautification Fund, which exists solely for improvements that enhance beautification of the city, park capital improvements, and maintenance.
- 1.25% to the City of Ouray General Fund, to reimburse the City for administrative, enforcement, and clerical expenses incurred in the administration and collection of the tax authorized in this section.

[Sect. 3-4 Lodging Occupation Tax & Short-Term Rental Excise Tax](#)

Telluride:

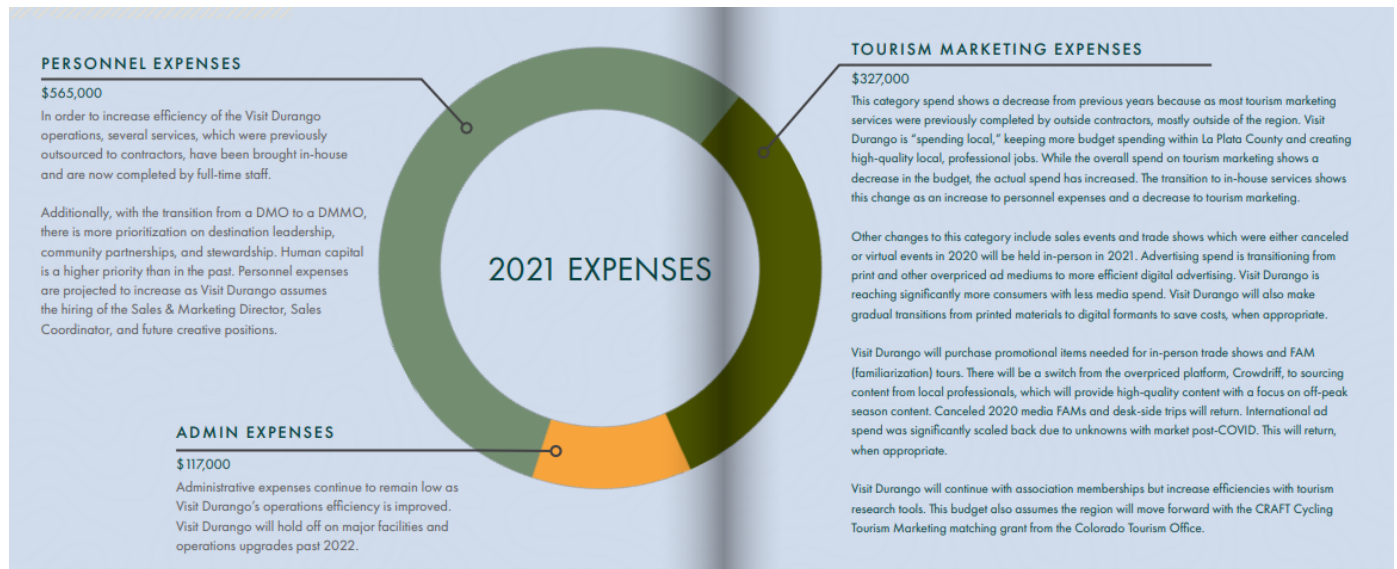
Revenue generated from lodging taxes is distributed to tourism management, transportation, wastewater treatment, and construction of affordable and employee housing.

[Town of Telluride](#)

Vail:

The revenue generated from the increase in the tax rate will be used for housing initiatives, developments and programs in the town of Vail.

Durango:



Pg. 20 Visit Durango: [2021-2022 Strategic Plan](#)

Grand Junction:

The increased lodging tax revenue will help Grand Junction boost tourism and sporting events marketing. Additionally, the funds will incentivize more direct flights into and out of Grand Junction Regional Airport.

The tax increase will offer incentives for additional air service at the airport, attract more events to the area by providing more funding for the Greater Grand Junction Sports Commission, and generate more revenue for Visit Grand Junction to better market Grand Junction to tourists.

[The Daily Sentinel](#)

Cripple Creek:

Revenues are used for economic and community development, encouraging tourism visits, and marketing of Cripple Creek City.

Silverthorne:

Revenue Breakdown of proposed lodging tax increase:
15% Marketing Fund, 85% Trails, Parks, & Open Space Fund.

The Town Manager estimates that a 6% lodging tax will bring in \$1.6 Million by 2023. The 2% tax brings in around \$450,000– [Summit Daily](#)

Question 4. *What are relevant tourism numbers applicable to these communities prior to the tax increase and after the tax increase – eg., occupancy rates, average room rate, sales tax collections, etc. Durango, Leadville and Ouray in particular – story of consideration or lodging tax increase and eventual adoption by governmental entities and citizen vote totals.*

A significant portion of the research compiled has showcased cities who have recently increased their lodging tax (as recent as January 2022). Reports and numbers have not been released yet to reflect the impact of a higher lodging tax.

Durango:

Durango has seen an increase in visitation during shoulder seasons. –[The Durango Herald](#)
“I think the most interesting and exciting takeaway from this data is that from 2019 to 2021 our peak summer visitation has decreased by 24%. Yet the visitation in off-peak season (October to April) has increased by 13%,” said Rachel Brown, executive director of Visit Durango.

Visit Durango: [2021-2022 Strategic Plan](#)

Covid Impacts of Lodging in Durango:

In July, August and September, Durango had the highest lodging occupancy in Colorado, and August sales tax receipts increased approximately 5% over August 2019. From January to July, La Plata County’s sales tax revenues increased nearly 14% YoY, while sales tax from retail is up nearly 40% compared with 2019. Pg. 15

Over the course of the next few years, Durango is slated to add an additional 475 hotel rooms across six new hotels. While there’s been significant debate and controversy on the impact this will have on Durango and the La Plata County community, Visit Durango sees the pros and cons for the tourism community. Pg. 16

City Lodging Tax: \$379,000

Income is conservatively estimated. While visitation will most likely be down approximately 15%-25% for the year of 2021, compared to 2019, this budget assumes lodgers tax revenues will be down by 40% for the year of 2021 for the City. This projection assumes \$340,000 of the City lodgers tax will be used for City transit. This projection does not assume the \$100,000 Special Events funds will be taken from City lodgers tax. Pg. 19

Goals for Upcoming Year: SUPPORT A MORE CONSISTENT, YEAR-ROUND ECONOMY BY DISPERSING VISITORS BOTH SEASONALLY AND GEOGRAPHICALLY

10% increase of lodgers tax and occupancy for Monday-Friday year-over-year

10% increase of lodgers tax and occupancy in Q1 & Q4 year-over-year. Pg. 28

Fruita:

[Fruita Comprehensive Plan–January 2020](#)

Use of Lodging Tax funds: Revenues from Fruita’s lodging tax are placed in a Marketing and Promotional Fund for the purpose of marketing and promotion of the City to tourists, the traveling public and others.--[Fruita Gov Page](#)

[Fruita Tourism Website](#)

[Fruita Budget](#) for Marketing & Promotion Fund
Pg. 259-266 Compares Budgets from 2018-2021

Question 5. Research you did on different lodging tax mechanisms in Colorado

Details on the five public funding utilized by destination organizations in Colorado:

[Funding Matrix](#)

Case Studies:

County Lodging Tax: Clear Creek

City/Town Lodging Tax: Sterling

City/Town Lodging Fee: Palisade

Excise Tax: Mountain Village

Local Marketing District Tax: Estes Park

Tourism Improvement District: Fort Collins