



VOTE YES ON HB25-1247, COUNTY LODGING TAX EXPANSION

ACTION NEEDED

Colorado Counties, Inc., is urging the 75TH General Assembly to adopt HB25-1247 to provide counties with greater flexibility and funding options to address local needs. This legislation proposes updates to the county lodging tax framework in three key areas: increasing the maximum allowable lodging tax rate, expanding the allowable uses of revenue, and protecting voter-approved allocations.

INCREASES THE MAXIMUM
ALLOWABLE COUNTY LODGING
TAX RATE FROM 2% TO 5%,
SUBJECT TO LOCAL VOTER
APPROVAL.

BACKGROUND

Under current law, counties may levy a county lodging tax of up to 2% on the purchase price paid or charged to persons for rooms or accommodations. Revenue from the tax is only allowed to be used for marketing local tourism, enhancing visitor experience, or housing and childcare for the tourism-related workforce. This legislation increases the maximum allowable county lodging tax rate from 2% to 5% and expands the allowable uses to include:

- ✓ Public infrastructure maintenance and improvements.
- ✓ Enhancing public safety, including funding for local law enforcement, fire departments, and emergency medical services.

EXPANDS ALLOWABLE USES
OF LODGING TAX REVENUE TO
INCLUDE PUBLIC
INFRASTRUCTURE, SAFETY,
AND PRESERVATION EFFORTS.

Additionally, if a county received voter approval before January 1, 2025, to allocate lodging tax revenue to specific purposes, those allocations remain preserved. Any new revenue from a tax rate increase may be allocated to additional allowable uses as permitted under this bill. Any proposal to increase the tax rate or expand the use of revenue must be approved by local voters in a general or special election.

PROTECTS VOTER-APPROVED
ALLOCATIONS OF LODGING
TAX REVENUE ALREADY IN
PLACE (AS OF JANUARY 1,
2025)



KEY TALKING POINTS

- The bill increases the maximum allowable county lodging tax rate from 2% to 5%, subject to local voter approval.
- It expands the allowable uses of revenue to include:
 - ✓ Public infrastructure maintenance and improvements.
 - ✓ Enhancing public safety, including funding for local law enforcement, fire departments, and emergency medical services.
- It protects voter-approved allocations of lodging tax revenue already in place as of January 1, 2025.
- Any proposal to increase the tax rate or expand the use of revenue must be approved by local voters in a general or special election.