

Media Contact:
Nick Johnson
Public Information Specialist
970-375-5088
Nick.johnson@durangogov.org

949 E. 2nd Avenue
Durango, CO 81301
DurangoGov.org

Follow us:
[Twitter.com/CityofDurango](https://twitter.com/CityofDurango)
[Facebook.com/CityofDurango](https://facebook.com/CityofDurango)
[Instagram.com/CityofDurango](https://instagram.com/CityofDurango)



FOR IMMEDIATE RELEASE, JULY 15, 2022

NEWS RELEASE

City council to discuss options for Lodgers' Tax overage

Durango, CO: Council will discuss at Tuesday's study session how it plans to handle excess lodgers' tax revenue collected for 2021 and 2022.

Due to a huge rebound in tourism during 2021, the collections from the 3.25% Lodgers' Tax increase exceeded the estimated amount established in the ballot language for the increase by \$684,000. Staff estimates the amount for 2022 will exceed projections by \$500,000.

Colorado's Taxpayer's Bill of Rights says that tax collections during the "first full fiscal year" of an increase over the ballot estimate must be refunded to the taxpayer unless the voters approve the retention and expenditure of those funds. In this case the city of Durango needs to decide on how to either retain or refund approximately \$680,000 of Lodgers' Tax estimate overage before the end of 2022.

Voters increased the city's lodgers' tax from 2% to 5.25% in April 2021. The measure required 55% of the tax be spent on sustainable tourism marketing services, 20% for transportation, 14% for cultural and arts, and 11% discretionary spending by council.

Council could seek approval to retain the money and allocate it under the 2021 ballot measure percentages. Council could also include ballot language to change allocations for excess funds. If the ballot asks to change allocations for the excess, an option would be to leave the intended use of the funds blank to be spent at council's discretion. Finally, staff involved in the original approved uses in the 2021 ballot question and staff involved in some possible alternate uses of those funds will be available to answer questions.

Since those who paid the Lodgers' Tax are overwhelmingly visitors from all over, it would be impractical to refund the overage directly to the taxpayers. The city has a number of refund options that don't involve tracking down the thousands of visitors that contributed to the overage, and which meet the requirements of the Taxpayer's Bill of Rights. Some refund options include providing free or supplemental transit services, a parking meter holiday, and a utility bill credit.

For more information about the different options to refund or retain Lodgers' Tax overage please view the [Tuesday's study session agenda](#).

If you'd like to let us know your preference on how to retain the overage, please [click here to take a survey](#). Or email us directly at publiccomment@durangogov.org

###