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FOR IMMEDIATE RELEASE, AUGUST 23

NEWS RELEASE

City Council approves language for November ballot on lodgers' tax

Durango, CO: The City Council of Durango has approved the final language for the November ballot on whether the city may keep and spend excess tax levied on hotel rooms beyond what was estimated.

The money in question is a tax on commercial lodging facilities, such as hotels, when a room is rented. Voters approved in April 2021 increasing the tax from 2% to 5.25%. State law required the city to estimate how much would be collected in 2021 and 2022, but the actual collections will exceed those estimates by approximately \$1.1 million. The money must either be refunded to voters, or an election held to determine if the city can keep and spend the money.

City Councilors voted to hold an election, scheduled for Nov. 8, with the following language:

QUESTION 2-A: AUTHORIZATION FOR THE CITY TO RETAIN CERTAIN REVENUES FROM THE CITY LODGERS' TAX INCREASE.
MAY THE CITY KEEP ALL REVENUES COLLECTED IN 2021 IN EXCESS OF \$900,000 FROM THE 2021 VOTER-APPROVED INCREASED LODGERS' TAX RATE OF 3.25% AND ALL REVENUES COLLECTED IN 2022 THAT OTHERWISE WOULD BE REFUNDED FOR EXCEEDING ESTIMATES IN THE NOTICE MAILED TO VOTERS IN CONNECTION WITH THE 2021 INCREASED LODGERS' TAX RATE OF 3.25% AND MAY THE CITY SPEND SUCH EXCESS REVENUES COLLECTED FROM THE LODGERS' TAX FOR THE FOLLOWING PURPOSES:
66% FOR AFFORDABLE AND WORKFORCE HOUSING PROGRAMS; 20% FOR TRANSPORTATION, PARKING, AND TRANSIT SERVICES, EQUIPMENT, AND FACILITIES; AND 14% FOR ARTS AND CULTURAL EVENTS, PROGRAMS AND FACILITIES, AND MAY THE CITY CONTINUE TO COLLECT THE TAX AT THE 3.25% RATE?

The resolution approved by councilors specifies if the ballot measure fails the money be refunded to residents through a credit to each residential city utility account.

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