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**ORDINANCE NO. O-2021-3**

**AN ORDINANCE OF THE CITY OF DURANGO, COLORADO  
AMENDING ARTICLE IV OF CHAPTER 23 OF THE CODE  
OF ORDINANCES REGARDING THE IMPOSITION,  
COLLECTION AND ADMINISTRATION OF THE LODGERS'  
TAX AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council has adopted Resolution No. R-2021-03 on February 2, 2021 to submit a ballot question to the registered electors on April 6, 2021 to increase the Lodgers' tax from 2% to 5.25% and to specify the uses of the Lodgers' Tax following approval of the ballot question; and

**WHEREAS**, the Lodgers' Tax ballot question provides that the Council shall adopt an Ordinance to implement the tax increase if approved; and

**WHEREAS**, Council desires to adopt this Ordinance to amend the provisions of Article IV of Chapter 23 of the Code related to the collection, administration and expenditures of the Lodgers' Tax, subject to the approval of the registered electors for the requested increase in the Lodgers' Tax at the April 6, 2021 election; and

**WHEREAS**, a public hearing has been held before the City Council of the City of Durango, and the Council has determined, subsequent to said public hearing, that the adoption of the amendments to the Code regarding the imposition, collection and administration of the Lodgers' Tax described herein is in the best interest of the citizens of the City of Durango; and

NOW THEREFORE, THE CITY OF DURANGO HEREBY ORDAINS:

**Section 1.** That the following enumerated sections of Chapter 23, Article IV of the Code of Ordinances of the City of Durango are amended to read in their entirety as follows:

**Sec. 23-87. Purpose.**

The purpose of this article is to impose a tax which will be borne by persons using lodging in the city. The tax will provide revenues for the purposes stated herein.

**Sec. 23-88. Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Finance director* means the finance director of the city or their designated representative.

*Gross taxable rent* means the total amount of rent or compensation paid for lodging.

City Clerk  
T. Lee  
3/17/22

*Lodgers' tax* means the tax on lodging authorized by this article.

*Lodging* means the transaction of furnishing rooms or other accommodations of any kind by a vendor to a purchaser who, for consideration, uses, possesses, occupies or has the right to use, possess or occupy any room or other units of accommodation of any kind in or at a taxable premise; provided, that the term lodging and the tax authorized hereby shall not be imposed upon food, service, beverages, telephone, laundry or like services incidental to the furnishing of lodging or shelter and for which a separate charge is customarily made.

*Person* means a corporation, firm, other body corporate, partnership, association or individual, including an executor, administrator, trustee or receiver or other representative appointed according to law and acting in a representative capacity and as herein limited, includes the United States of America, the State of Colorado, any corporation, department, instrumentality or agency of the federal or state government, or any political subdivision of the state.

*Purchaser* means a person to whom lodgings are furnished in the exercise of the taxable service of lodging.

*Taxable premises* means a hotel, motel, motor hotel, lodge, bed and breakfast, multi-family unit, single family residence, RV park or any other real estate used as a vacation rental or that is otherwise used for temporary lodging of any type.

*Vendor* means a person furnishing lodgings and the exercise of the taxable service of lodging.

**Sec. 23-89. Imposition.**

1. There is hereby imposed a lodgers' tax of five and twenty five hundredths percent (5.25%) of gross taxable rent for lodging paid to vendors from and after June 1, 2021.

**Sec. 23-97. Separate fund; expenditures.**

- (a) All revenues derived from the lodgers' tax, less costs of collection and administration, shall be placed in a special fund, separate and distinct from the general fund. All interest derived from the investment of revenues within such special fund shall also be deposited for the benefit of the special fund.
- (b) The funds derived from the imposition of tax hereby authorized shall be expended for the following purposes:

55% FOR SUSTAINABLE TOURISM MARKETING, INCLUDING ADVERTISING AND ATTRACTING CONFERENCES, CONVENTIONS, AND MEETINGS;

20% FOR TRANSPORTATION AND TRANSIT SERVICES, EQUIPMENT, AND FACILITIES;

14% FOR ARTS AND CULTURAL EVENTS, PROGRAMS AND FACILITIES; AND

11% FOR ANY OF THE ABOVE PURPOSES OR OTHER PURPOSES RELATED TO THE IMPACTS OF TOURISM AS COUNCIL MAY DETERMINE;

All expenditures of Lodgers' tax revenues shall be in accordance with budgetary limitations and specific proposals submitted to and approved by the city council, as the same may occur from time to time. Approval of fund expenditures shall be accomplished through the adoption of the annual budget or by the adoption

of a resolution or resolutions by the city council detailing the purpose and extent of such expenditures.


- (c) There shall be budgeted from the monies received from the imposition of lodgers' tax an amount equal to two (2) percent thereof to reimburse the city for administrative and clerical expenses incurred in the administration and collection of the tax authorized in this article.

**Sec. 23-98. Penalties.**

In addition to any other penalty provided for herein, any person who violates the provisions of this article by failure to pay the tax, to remit the proceeds thereof to the city, or to account properly for any tax proceeds pertaining thereto shall be subject to a penalty as provided in Section 1-16 of the Code of Ordinances, which penalties may be imposed for each violation of this article.

**Section 2.** This Ordinance shall become effective on June 1, 2021, but only in the event the ballot question related to the increase in the Lodgers' tax is approved by the registered electors of the City at the election conducted on April 6, 2021.

Attest:

  
City Clerk

CITY COUNCIL OF THE CITY OF  
DURANGO

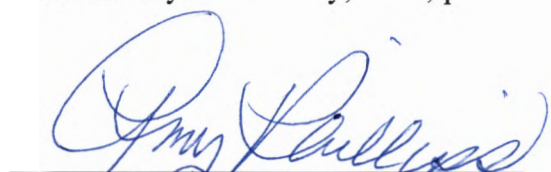
  
Mayor

STATE OF COLORADO )

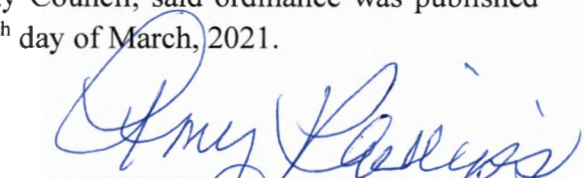
) ss.

COUNTY OF LA PLATA )

I, Amy Phillips, City Clerk of the City of Durango, La Plata County, Colorado, do hereby certify that Ordinance No. O-2021-3 was regularly introduced and read at a regular meeting of the City Council of the City of Durango, Colorado on the 16<sup>th</sup> day of February, 2021, and was ordered published in accordance with the terms and conditions of the statutes in such cases made and provided, in the Durango Herald, a newspaper of general circulation, on the 27 day of February, 2021, prior to its final consideration by the City Council.

  
City Clerk

I further certify that said Ordinance No. O-2021-3 was duly adopted by the Durango City Council on the 2<sup>nd</sup> day of March, 2021, and that in accordance with instructions received from the Durango City Council, said ordinance was published by title only in the Durango Herald on the 6<sup>th</sup> day of March, 2021.

  
City Clerk