



2023 Legislative Issue Form

To propose a CCI legislative issue, please complete this form.

Feel free to use more than one page and include any supplemental materials.

1.) **Contact Information** (of person bringing forth issue):

- a. **Name:** Liz Smith
- b. **Title:** Commissioner
- c. **County:** Gunnison
- d. **Phone Number:** 970-975-0708
- e. **E-Mail Address:** eksmith@gunnisoncounty.org

2.) **Issue/Problem to be addressed** (What is the problem this legislation is seeking to solve?)

The Colorado Department of Revenue seeks to remove campgrounds from the definition of “accommodations” for purposes of taxation in lodging and local marketing districts through a rulemaking change. This will have a negative fiscal impact on jurisdictions with campgrounds that are subject to sales tax or lodging/local marketing district taxes.

3.) **Background on this Issue/Problem** (How did this come to be? Why are you seeking a legislative remedy?)

In December 2021 and June 2022, the CDOR’s Division of Taxation held public hearings on a proposed rulemaking change that would change the definition of “accommodations” for the purposes of taxation. Specifically, if passed, campgrounds would no longer be included as an “accommodation” for the collection of sales, lodging, or local marketing district taxes.

We see a few issues with this. First, the expanded allowable uses of lodging and local marketing district revenues in HB22-1117 acknowledge the need for more resources to “address the social, cultural, and environmental issues related to tourism.” By expanding the allowable uses for these revenues in the interest of “facilitating and enhancing visitor experiences,” these funds can now be used for things like constructing bathrooms, trail maintenance, stewardship on public lands, and education campaigns to protect our environment, water quality, and prevent catastrophic fire events. Visitors staying in campgrounds are a significant demographic contributing to the need for these districts to increase environmental mitigation and stewardship efforts in response to impacts from increased numbers of tourists and visitors.

Second, new innovations in the campground industry suggest the resource demand on local governments will continue to increase due to camping. The decrease in dispersed camping options and closure of some USFS campgrounds has been a boon to companies like Hipcamp, which provides a platform for landowners to create campsites on their private property that visitors can reserve online. Currently, this is an unregulated industry. Local governments will need resources to figure out how to account for this type of campground on private residential or agricultural land in land use codes, develop regulations that protect water quality (bathrooms are not always provided), and ensure hosts are educating visitors about things like fire restrictions. Taxes collected by Local Marketing Districts and County Lodging Districts for rooms and accommodations will continue to be an important and appropriate resource to meet these demands.

4.) **Proposed Solution/Legislative Remedy to this issue.**

After discussing the issue with CDOR Executive Director Mark Ferrandino and learning more about the context of the rulemaking change, our proposed solution is to take a middle-road with the taxation of campgrounds by **not** making them subject to sales tax, but ensuring they remain eligible for taxation in lodging and local marketing districts. The expanded allowable uses for lodging and local marketing district revenues in HB22-1117 to address the impacts of tourism and enhance the visitor experience are in alignment with this proposed solution.

Please submit this completed form to Katie First at kfirst@ccionline.org

By Friday, July 8.



5.) **Have you explored a non-legislative solution to this problem?**

We have been active stakeholders throughout the Division of Taxation’s rulemaking process. Our BOCC submitted written comments, and Commissioner Smith testified at both public hearings.

6.) **Statutory Citation to be modified AND proposed/revised language (The Colorado Revised Statute is available for free at [this link](#), by selecting “Colorado Revised Statutes”).**

If rulemaking recommendations are adopted, the CRS language will be as follows. We suggest adding a line that clarifies campgrounds remain eligible for taxation in lodging and local marketing districts, but they are not subject to sales tax.

Rule 39-26-102(11). Rooms and Accommodations.

Basis and Purpose. The statutory bases for this rule are sections 39-21-112(1), 39-26-102(11), and 39-26-122, C.R.S. The purpose of this rule is to define the terms “room” and “accommodation” as those terms are used in section 39-26-102(11), C.R.S., and elsewhere in article 26 of title 39, C.R.S. The rule also defines “auto camp.”

(1) A “room” is a regular sleeping room or unit which is a part of a hotel, apartment hotel, inn, lodging house, guest house, motor hotel, motel, mobile home, dude ranch or guest ranch, for which a charge is made for its use.

(2) “Accommodation” includes the furnishing of space in any ~~camp grounds,~~ auto camp, or trailer court or park, under any concession, permit, right to access, license to use, or any other agreement by or through which any such space may be used or occupied.

~~Accommodations are exempt from taxation if rented for at least thirty consecutive days during the calendar year or preceding year.~~

~~(See Rule 39-26-704-4.)~~

(3)

(a) An “auto camp” is a temporary, overnight lodging accommodation that specifically caters to persons traveling by motor vehicle, and that offers one or more of the following amenities:

(i) vehicle electricity supply;

(ii) vehicle water supply;

(iii) a vehicle sewage and waste water dump station; or

(iv) a temporary or permanent overnight shelter (such as a tent, yurt, teepee, or other shelter) provided by the owner or operator of the auto camp.

(b) A temporary, overnight lodging accommodation whose only amenity is stations for charging the engine of an electric vehicle is not an “auto camp.”

7.) **Relationship of this issue to County Commissioner’s roles and/or authorities.**

Our BOCC is also the Gunnison Valley Local Marketing District. Removing campgrounds from taxation of lodging and local marketing districts affects the revenues we collect for tourism/marketing, economic development, and with the approval of the voters, expanded allowable uses to support the workforce and recreation infrastructure to enhance the visitor experience.

8.) **Has this proposal been approved by the Board of County Commissioners?**

Yes

9.) **List any potential Proponents/Opponents & their perspective; indicate any groups/individuals with whom you have already discussed this issue.**

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At the request and interest of others, we have shared the written comments from our BOCC with CCI and numerous commissioners/counties.

10.) **Have you visited with your legislator(s) about this proposal? What was their reaction? Are members of your delegation likely to sponsor, support, or oppose this proposal?**

We have discussed the issue with Rep. Julie McCluskie, though she will no longer be our representative next legislative session. We intend to reach out to Rep. Marc Catlin and expect he will support (or potentially be willing to sponsor) the legislation due to its relationship to HB22-1117, which he also sponsored.

11.) **Anticipated Fiscal Impact (to counties, state, other stakeholders, etc.).**

Increased revenue for lodging and local marketing districts.

12.) **Please list the local subject matter experts CCI staff can follow-up with for more information on this proposal.**

Commissioner Smith

13.) **If your county is submitting multiple issue forms, please rank each issue.**

N/A

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