

Amending Colorado Revised Statute 30-11-107.5 to allow funds to be utilized for Workforce Housing

Access to affordable and available workforce housing is a significant issue that is occurring in counties throughout Colorado. During discussions at the Spring CCI conference it was anecdotally observed that a majority of counties indicated that it was one of their top issues. With the population of Colorado expected to double in the next 25 years this is a problem that certainly will not go away and most likely will become more serious without pro-active measures being taken. Part of the challenge is the types of housing issues that each county faces, whether a rural, metropolitan or resort/ mountain community, are different and strategies to overcome the problem cannot be applied to all situations. Local and location specific solutions are often the most effective tool in overcoming the challenge. In many resort/ mountain communities the impact of tourism, while certainly an important element of local economies, is a significant driving force in creating the problem of lack of affordable and available housing for their workforces. In addition, the proliferation of Short Term Rentals also has exacerbated the challenges by eliminating what had traditionally been long term rentals utilized often by the local workforce. In an attempt to overcome this challenge many counties have either internally or through the use of Housing Authorities developed organizations and funding sources to either work independently or through private/ public partnerships to develop housing solutions to this problem. The funding sources to date have been limited to sales tax and/ or property tax. The Gunnison County Commissioners would like to propose potential legislation that would amend C.R.S. 30-11-107.5 to allow its use not only for advertising and marketing of tourism but also as a mechanism to fund workforce housing either independently through the county or through a local Housing Authority.

Currently Colorado Revised Statute 30-11-107.5 allows counties to levy a 2% lodging tax for the advertising and marketing of local tourism.

“(1) In accordance with the procedures set forth in this section, the board of county commissioners of each county, for the purpose of advertising and marketing local tourism, may levy a county lodging tax of not more than two percent on the purchase price paid or charged to persons for rooms or accommodations as included in the definition of “sale” in section 39-26-102(11), C.R.S.....”

(3)(a) The board of county commissioners may, by resolution, approve a proposal for a county lodging tax; thereupon, such proposal for the county lodging tax shall be referred to the registered electors of the unincorporated areas and the municipalities subject to the lodging tax at a special election held for such purpose. Any such election may be combined with any other special election. On and after January 1, 1989, such tax may only be approved at a general election....”

(4)(a) All revenue collected from such county lodging tax, except the amounts retained under subsection (2) of this section, shall be credited to a special fund designated as the county lodging tax tourism fund, hereby created. The fund shall be used only to advertise and market tourism in accordance with paragraphs (b) and (c) of this subsection...”

By including workforce housing as a use in Section 1 and 4 of this statute it would enable local counties or housing authorities, should they choose to, to ask their registered electors to approve a proposal for a county lodging tax, which includes short term rentals, to be utilized for advertising and marketing of local tourism as well as for funding workforce housing solutions. It is important to note that this would not be a requirement of any local jurisdictions to enact but would rather be another option for counties and housing authorities to fund solutions for what may be one of the biggest challenges they face.