



Potential Ballot Issues

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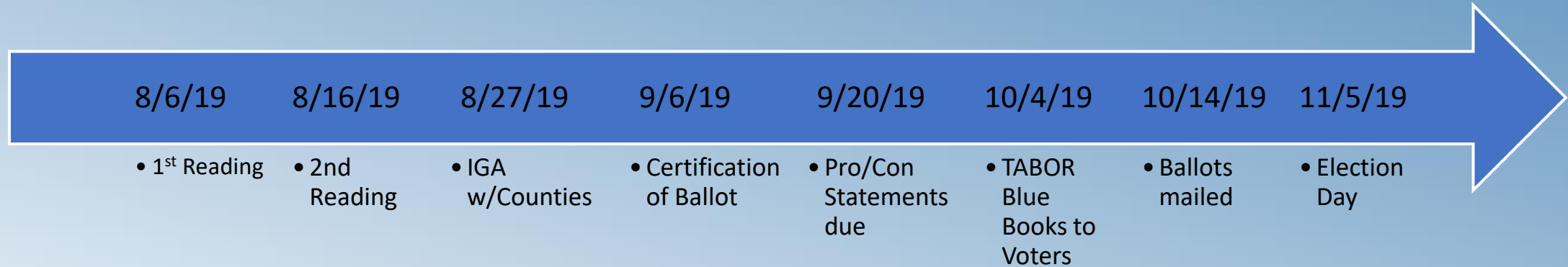
Policy Question

- Does council support a lodging tax and/or admissions tax be placed on the November 2019 ballot?

Background

- Long-term funding strategies discussed at the 2019 retreat
- Potential Ballot Issues discussed at study session on June 11, 2019
 - Lodging Tax
 - Admissions Tax
- 2020 or beyond potential ballot issues
 - Sales Tax increase
 - Direct elect mayor
 - City manager severance

Staff Analysis - Timeline



Staff Analysis – Lodging Tax

- 2013 Ballot question for 3% lodging tax defeated by 63%
- Majority of cities surveyed have a lodging tax
- 65% of travel is business related (per one hotel)
- 5.19% average tax rate in Denver Metro area
- Council can dedicate to a specific purpose

Staff Analysis – Lodging Tax

- Neighboring city lodging tax rates
 - Englewood – 2%
 - Lone Tree – 6%
 - Centennial – 0%
 - Greenwood Village – 3%

City/Town	Lodging Tax Rate
Arvada*	2.00%
Aurora	8.00%
Brighton*	3.00%
Broomfield*	1.60%
Denver	10.75%
Englewood*	2.00%
Glendale	6.50%
Greenwood Village*	3.00%
Lakewood*	3.00%
Lone Tree*	6.00%
Northglenn*	5.00%
Parker	3.00%
Thornton	7.00%
Westminster	7.00%
Wheat Ridge	10.00%
Average	5.19%

*Lodging tax collected in addition to sales tax

Currently most municipalities collect lodging tax separately from sales tax

Fiscal Impacts – Lodging Tax

- Lodging tax estimated revenues to the City
 - 3% - \$400,000
 - 6% - \$800,000
 - 9% - \$1,200,000
 - 12% - \$1,500,000

- Room Rates

	Current Sales Tax 7.25%	Additional Lodging Tax			
		3%	6%	9%	12%
Room Rate	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00
State/Cty/RTD Tax - 4.25%	\$ 5.74	\$ 5.74	\$ 5.74	\$ 5.74	\$ 5.74
City Sales Tax - 3%	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05
Lodging Tax	\$ -	\$ 4.05	\$ 8.10	\$ 12.15	\$ 16.20
Total per night	\$ 144.79	\$ 148.84	\$ 152.89	\$ 156.94	\$ 160.99

Staff Analysis – Admissions Tax

- 13 of 25 Surveyed cities have admissions tax or fee
- 4.43% Average with Denver;
3.88% Average without Denver
- Council can dedicate to a specific purpose
- Examples of types of admissions subject to tax
 - Town Hall Arts Center events
 - Hudson Gardens Events
 - Alamo Drafthouse tickets
 - Various outdoor events
 - Regular and miniature golf
 - Shooting ranges
 - Other...

Staff Analysis – Admissions Tax

- Neighboring city admissions tax rates
 - Englewood – 0%
 - Lone Tree – 4%
 - Centennial – 0%
 - Greenwood Village – 0%

City/Town	Tax Rate
Arvada	4.00%
Aurora	3.75%
Brighton	3.00%
Boulder	5.00%
Denver	10.00%
Federal Heights	4.00%
Lakewood	5.00%
Lone Tree	4.00%
Northglenn	3.00%
Sheridan	Fee of \$0.25
Thornton	3.75% S&U
Westminster	3.00%
Wheat Ridge	4.00%
Average	4.43%

Fiscal Impacts – Admissions Tax

- Difficult to quantify
- Depends on definition of what is subject to this tax
- Range of \$260,000 - \$1,000,000; likely on the lower end of spectrum

Options/Alternatives

1. Direct staff to prepare ballot language for both tax initiatives to be considered at the November 2019 election.
2. Direct staff to prepare ballot language for the lodging tax *or* the admissions tax to be considered at the November 2019 election.
3. Postpone discussion to a future election date.
4. Forgo a ballot issue on these two taxes.



Potential Ballot Issues

Questions?