



## Legislation Text

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**File #:** Resolution 59-2022, **Version:** 1

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Agenda Date: 10/04/2022

**Subject:**

Resolution 59-2022: Confirming city council's support of a Yes vote on Ballot Issue 3B seeking voter approval of a 5% lodger's tax to fund arts, culture, and tourism

From:	James L. Becklenberg, City Manager
Prepared by:	Kathleen Osher, Community Services Director

**PURPOSE:**

Does council wish to execute a resolution in support of Littleton Ballot Issue 3B?

**PRESENTATIONS:**

**Staff Presenter(s):** Reid Betzing, City Attorney  
**Additional Presenter(s):** N/A

**SUMMARY:**

The Colorado Fair Campaign Practices Act (FCPA) allows the City Council to pass a resolution voicing their position on any ballot measure referred to the voters. City Council referred ballot measure 3B to the voters on August 16, 2022.

The council has explored asking voters to consider a Lodger's Tax with the proceeds directed to arts, culture, and tourism since 2016 through the bi-annual resident survey, showing strong resident support. In 2019 council created the Littleton Arts and Culture Commission who created and presented a Strategic Plan and Work Plan to council in 2021, including an objective to identify sources of revenue to fund the arts. In 2021 council adopted Goal 5: Arts, Culture, and Tourism and in 2022 council re-affirmed this goal and provided direction for staff to further study a potential Lodger's Tax.

**PRIOR ACTIONS OR DISCUSSIONS:**

On August 16, 2022, at a regular meeting, city council voted seven (7) to zero (0) to submit to the registered electors of the City of Littleton a ballot measure seeking voter approval of a 5% lodger's tax to fund arts, culture, and tourism.

**ANALYSIS:**

Staff Analysis

One of the city council's eight goals, initially adopted in 2021 and again for 2022-2023, is Arts, Culture, and Tourism. A Lodger's Tax has been discussed for quite some time with the proceeds dedicated to providing a steady revenue stream to support Arts, Culture, and Tourism. The Arts and Culture Commission has included support for a Lodger's Tax as part of its Work Plan.

A staff report comparing metro area cities Sales Tax and Lodger's Tax rates combined found an average of 3.55% Sales Tax, 5.24% Lodgers Tax, with an average of 8.02% total taxes. Of the 24 cities in the study, only seven did not charge a Lodger's Tax, and several of those do not have hotels. If Littleton voters approve a 5% Lodger's Tax combined with the 3.75% Sales Tax, the city would rank slightly above the metro area average.

A proposed Lodger's Tax would exclude rentals greater than 29 consecutive days.

Staff has estimated, based on the current number of hotel rooms in the city and occupancy rates, \$980,000 could be generated annually.

A recent survey of 19 Littleton arts organizations found that all would support the Lodger's Tax as presented.

Conversations with hotel management and owners found little to no concern that a Lodger's Tax would affect their competitiveness in this market.

Littleton was recently recognized as the Fourth Best City for Families in Colorado by Livability.com and a Top 100 Best Place to Live in the United States. Access to arts and culture amenities are important components of Envision Littleton and contribute to Littleton's high quality of life.

#### Council Goal, Objective, and/or Guiding Principle

Goal 2: Financial Sustainability

Goal 5: Arts, Culture, and Tourism

#### Fiscal Impacts

If Ballot Issue 3B is approved by the voters the projected increase in revenue to fund arts, culture, and tourism will be approximately \$980,000 per year.

#### Alternatives

Not support Ballot Issue 3B.

#### **PROPOSED MOTION:**

I move to approve Resolution 59-2022 confirming city council's support of a Yes vote on Ballot Issue 3B seeking voter approval of a 5 percent Lodger's Tax to fund arts, culture, and tourism.