

FINANCE MEMORANDUM
#12-2026

DATE: July 6, 2026

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager *Hmg*

FROM: Jason Loveland, Deputy City Manager *JL 2*

SUBJECT: Consideration of Increasing Accommodations Tax Rate

PURPOSE

To consider adding a ballot question to the Nov. 3, 2026 Election asking voters for approval to increase the City's accommodations tax rate from 5% to 8%.

BACKGROUND

Accommodations tax is levied on accommodation services, including short-term rentals and hotel stays, of less than 30 consecutive days. An accommodations tax was first imposed in 1980, and the rate has been 5% since Jan. 1, 1982.

Northglenn Municipal Code Section 5-3-3(a):

- (a) Sales Tax. A sales tax rate of four percent (4%) is hereby levied upon all sales of tangible personal property and services specified in Section 5-3-5, with the exception of food for domestic home consumption as defined in Section 5-3-4(a)(29). A sales tax rate of three percent (3%) is levied upon all sales of food for domestic home consumption. All sales from retail, unless otherwise exempt, are subject to the sales tax. The retailer must collect the tax from the purchaser. **For accommodation services less than thirty consecutive (30) days, the tax rate levied shall be five percent (5%).**

The tax is used for general purposes which include public safety, street maintenance, snow removal, parks, recreation, and culture, and administrative functions of the City.

Staff has evaluated the City's accommodations tax rate as part of ongoing revenue discussions and identified that Northglenn's current rate is lower than many neighboring municipalities. Increasing the rate would generate additional General Fund revenue from visitors and short-term lodging while maintaining a rate that is generally consistent with surrounding communities.

The following table compares Northglenn's current accommodation tax rate to neighboring communities:

Municipality	Accommodations Tax Rate
Arvada	2.00%
Boulder	7.50%
Thornton	7.00%
Westminster	7.00%
Wheat Ridge	10.00%
Northglenn	5.00%

BUDGET/TIME IMPLICATIONS

The cost to add a question to the November 2026 ballot is approximately \$20,000. With Council consensus, staff will bring a resolution forward at the July 13 City Council meeting to call a special election for Nov. 3, 2026 and approve a ballot question asking voters to increase the City's accommodations tax rate.

STAFF RECOMMENDATION

Staff recommends City Council direct staff to prepare the necessary resolutions and intergovernmental agreements to place a question on the November 2026 ballot to ask voters whether the accommodations tax rate should be increased from 5% to 8%, effective Jan. 1, 2027.

STAFF REFERENCE

If Council members have any questions, please contact Jason Loveland, Deputy City Manager, at jloveland@northglenn.org or 303.450.8817.