

Bond Case Briefs

Municipal Finance Law Since 1971

TAX - COLORADO

Town of Breckenridge v. Egencia, LLC

Colorado Court of Appeals, Div. III - January 25, 2018 - P.3d - 2018 WL 549539 - 2018 COA 8

Town brought action against 16 online travel companies, alleging that companies were responsible for collecting and remitting taxes associated with hotel reservations.

After dismissing sales tax claim and denying town's motion for class certification, the District Court granted summary judgment in favor of companies, on town's claim for accommodation tax. Town appealed.

The Court of Appeals held that:

- Online travel companies were "brokers" of hotel rooms, rather than "lessors" or "renters" of the rooms, under town code, and thus, were not subject to town's accommodation tax;
- Town was not excused from exhausting administrative procedures on its unpaid sales tax claim against online travel companies;
- Relief sought by town predominantly related to money damages, and thus, district court did not abuse its discretion in denying class certification under statute permitting certification when party opposing class has acted on grounds applicable to class as whole making appropriate injunctive or declaratory relief for whole class; and
- District court did not abuse its discretion in determining that town failed to satisfy predominance and superiority requirements of statute permitting class certification when common questions of facts or law predominate.