



Fiscal Sustainability – Short-Term Rental Tax
Kim Weber, Finance Director & Dan Foote, City Attorney

1. What are the goals of the STR tax?
2. What rate do you want to propose to the voters?
3. What are the revenue restrictions?
4. Do you want a sunset date on the tax?



What: Excise Tax on lodging transactions <30-days

Who: Properties subject to the Short-Term Rental License

Where: Properties located within Steamboat Springs city limits

When: Effective 1/1/2023 – subject to voter approval November 2022

What are the Goals of a STR Tax?

- Revenue Source for Attainable Housing
- Disincentivize STRs
- Generate Revenue to fund city expenditures – Fiscal Sustainability
- Address property tax disparity between residential vs. commercial assessment through an additional excise tax

Estimated STR tax based on 2021

1% = \$1,080,000

Estimate STR tax with 30% escalation*

1% = \$1,400,000

2% = \$2,800,000

3% = \$4,200,000

4% = \$5,600,000



*Accommodations tax is up by 65% as of 3/31/22 from 2021

Current Sales/Accommodations Tax Rate

Taxing Entity	Outside of LMD	Inside LMD
State of Colorado	1.0%	1.0%
Routt County	2.9%	2.9%
City (General Fund)	4.0%	4.0%
City (Education)	0.5%	0.5%
City Accommodations Tax	1.0%	1.0%
LMD Accommodations Tax	=	<u>2.0%</u>
Total lodging tax rate (STRs and hotel-type lodging)	9.4%	11.4%

Restrictions Discussed:

1. Attainable Housing

- Incentives
- Contributions (YVHA)
- Infrastructure associated with additional housing

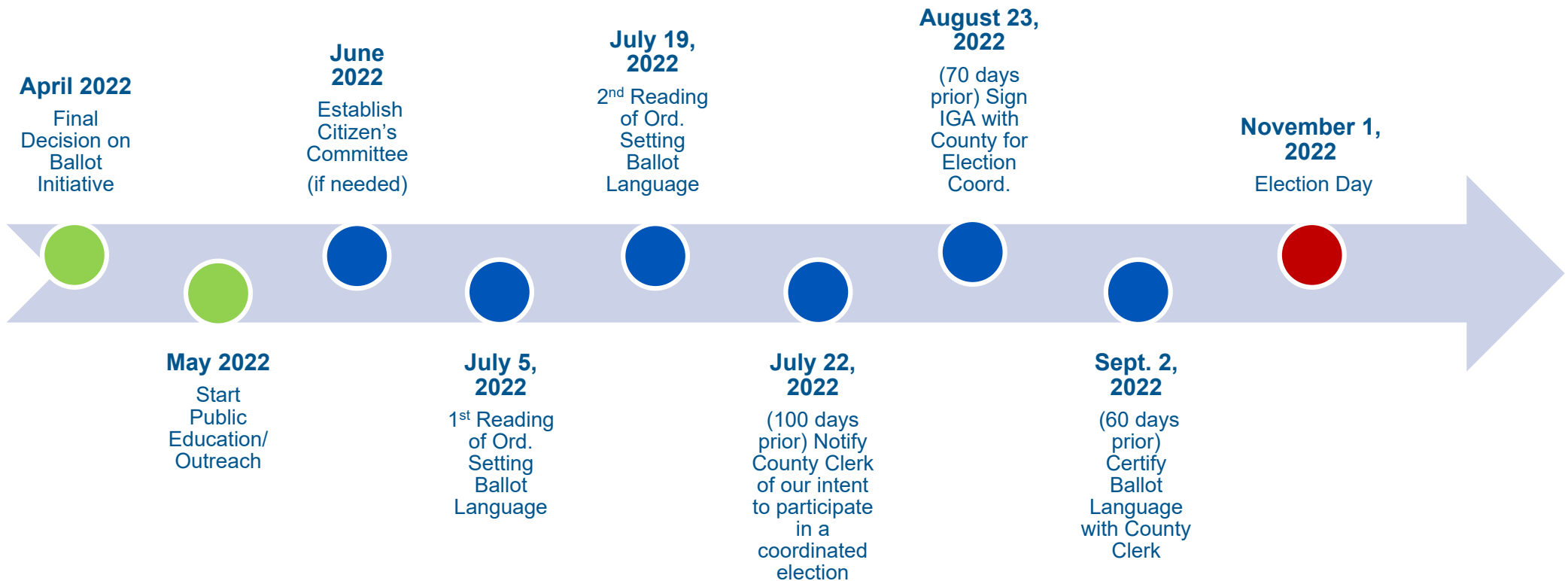
2. Infrastructure to serve the growing community

3. Transportation

4. Childcare

5. Destination Stewardship (Destination Marketing & Management)

Timeline for Ballot Initiatives



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