Eagle County Tourism Already in Decline; 1A Would Make It Worse

A strong tourism economy is foundational to the vitality of Eagle County, and we are concerned with the predictable negative impact of increased taxes on local tourism. The misunderstanding by local politicians that visitors will pay this tax is reason for pause. Based on a study by Inntopia, a leader in tourism occupancy projections, the financial impact of an additional lodging tax would be absorbed by the lodging industry, not the guests themselves. By extension, this will adversely impact local business operations as these companies reconfigure budgets to absorb the significant financial hit. This tax won't be passed on to visitors because the market cannot bear it. The economic outlook on tourism helps explain this reality.

Over the past few months, we've seen travel data and market research signaling a significant downturn in tourism within the U.S. and, more specifically, within our state and mountain communities. This data illustrates why now is an exceptionally inappropriate time to double the existing lodging tax in Unincorporated Eagle County. Increasing the cost to visit our valley will most certainly exacerbate the current national and regional tourism downturn.

On July 30, the Colorado Tourism Office (CTO) shared their 2024 Colorado Tourism Research Results and Key Findings with constituents, including the following important points:

- Hotel occupancy is down 2% across the state through June 2025
- Short-term rental bookings were down 10% in the first quarter of 2025
- The state's share of U.S. vacationers has been on the decline since 2019
- Booking pace for domestic summer 2025 mountain travel is down more than 7%
- Bookings by Canadian visitors are down 58% for 2025
- Bookings by European visitors are down 39% for 2025
- Bookings by visitors from Australian and New Zealand are down 21% for 2025

Summer bookings in 17 mountain towns in seven western states declined every month for the past six months compared to 2024. This is the longest downward trend since the pandemic.

We encourage you to review the research, which includes the Economic Impact of Travel on Colorado 2024 (Dean Runyan); Dean Runyan's Colorado county-specific dashboard; and the 2024 Longwoods Travel USA Colorado Report.

Colorado Sun reporter Jason Blevins also provides insight into the CTO's report in a recent story.

In late June, the *Vail Daily* reported on Inntopia's DestiMetrics monthly market briefing, detailing findings from Colorado's mountain destinations. The briefing showed that mountain resort occupancy for May dropped 15.1% year-over-year while other markets dropped just 0.7%. Based upon the data, Inntopia is predicting occupancy will continue to decline past the summer season. The data also showed a 5.4% decline in visitors from Mexico.

In April 2025, the U.S. Travel Association revised its original inbound travel projection (released in January 2025) of 8.8% growth, to a 5.1% decline. In addition, the organization reported that inbound travel spending in 2025 could fall 12.3%, which equates to a $22 billion annual loss.

The U.S. Travel Association released an updated U.S. Travel Forecast for 2025 on October 2, 2025, which projects very little growth in travel spending for 2025 and a significant decline in international inbound travel. International visits are expected to drop from 72.4 million in 2024 to 67.9 million in 2025. This is the first decline since 2020.

Leaders from the travel and tourism industry are concerned.

Tourism is a critical economic driver in Eagle County. But what happens to revenue – and more importantly local jobs – if we significantly increase the cost of inbound travel when we're already experiencing uncertainty? We have insight into that question thanks to another study by Inntopia that outlines the impacts of increased taxes on resort communities within our competitive set. Based upon research provided by Inntopia, revenues declined by approximately 10% in the two years following a lodging tax increase. This study does not factor in the current downturn in the tourism sector, which would predictably exacerbate the decline.

We must support healthy tourism in Eagle County to ensure our community continues to thrive. A strong local tourism industry is foundational to the overall economic vitality of our valley.

– Citizens for a Healthy Tourism Economy