Facts: Ballot Question 1A - Lodging Tax Increase for Unincorporated Eagle County
Eagle County Voters

Background: Colorado lodging tax cap increase
In spring 2025, the Colorado Legislature passed a law that allows counties to increase the lodging tax cap from the previous 2% to a total of 6%, with voter approval. This specific tax applies only to unincorporated areas and towns or cities that do not already have a municipal lodging tax in place.

Impact of a lodging tax increase in Eagle County
A lodging tax increase in Unincorporated Eagle County would impact lodging and short-term rentals in Beaver Creek, Arrowhead, Bachelor Gulch, Eagle Vail, Edwards, Gypsum and El Jebel/Basalt. The Towns of Avon, Eagle and Vail would be exempt from the lodging tax because they already impose a municipal lodging tax.

Eagle County implemented a 2% lodging tax in Unincorporated Eagle County just two years ago, in 2023. Now they want more. If the additional 2% tax increase passes, it will **double** the total lodging tax collected from rental properties and lodges in Unincorporated Eagle County for a total of 4% and drive the total lodging tax rate well beyond that of many competitors.

Enough is enough. An increased lodging tax will hurt local businesses. We must Vote No on the 1A lodging tax this election.

Repercussions for Eagle County's tourism economy
If a tax increase is approved by voters, we know it will impact efforts to drive occupancy and group business during off-peak months (June, September and October) because these are our most price-conscious guests. These months are favored by group meeting planners who pay close attention to fees and compare costs between multiple destinations. That impact will adversely affect restaurants, outfitters, shops and activity providers throughout the valley. It will also affect Eagle County residents working in our tourism sector due to predictable loss of business.

Tourism forecast and economic outlook for Colorado
According to research* presented by the Colorado Tourism Office (CTO) on July 30, 2025, hotel occupancy was down 2% across the state through June, hotel revenue was also down, short-term rental bookings were down 10% in the first quarter of 2025 and ski-season visits declined last season. The state's share of U.S. vacationers has been on the decline since 2019, and international inbound travel has dropped significantly.

In addition, Vail Resorts just announced winter 2025-2026 skier visits are predicted to decline based upon pass sales through Sept. 19, 2025. Pass sales for 2025-2026 are currently down 3% from 2024-2025, which was down 2% from 2023-2024.

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

*Research includes: Economic Impact of Travel on Colorado 2024 (Dean Runyan); Dean Runyan's Colorado county-specific dashboard; and 2024 Longwoods Travel USA Colorado Report.

Who pays the tax?
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, including small, independent properties, individual rental owners and hotels and condominiums, **not the guests themselves**. The study outlined the impacts of increased taxes on resort communities within our competitive set, and the results are concerning. Revenues decreased by approx. 10% in the two years following the increased lodging tax. Inntopia concluded that revenue decreased in the interest of preserving occupancy levels.

What would the tax revenue fund?
Eagle County Commissioners have earmarked the funds generated by increased lodging tax for childcare needs and wildfire mitigation. Both are countywide issues to be addressed and remedied with funding from a variety of sources, rather than relying on a small segment of Eagle County and one industry – lodging – to solve these problems. While it seems the proposed tax would only affect the lodging community, there would be a significant trickledown impact to all tourism sector businesses due to the predicted decline in occupancy.

Further, Beaver Creek currently utilizes civic and lodging assessments, as well as a mountain special assessment to fund a robust effort to grow the valley-wide tourism economy. Assessments help fund efforts to build the Beaver Creek brand and drive brand loyalty. This significantly impacts businesses throughout the valley that depend on resort tourism. These efforts support locals. They ensure our local businesses succeed and thrive, and our residents have year-round jobs – not just employment during peak summer and winter months.

In addition, the collective Beaver Creek community, including Beaver Creek, Bachelor Gulch and Arrowhead, has already contributed over $4.5 million ($4,587,765.00) to wildfire mitigation over the past five years.

Community-wide problems need collaborative solutions
We are all aware of the challenges our greater community faces. We recommend the County Commissioners invite collaboration and county-wide commitment to identify solutions, rather than target a small portion of our community as the silver bullet. With the current and continued decline in inbound tourism, this added tax would work against our best efforts to maintain and grow the economic engine of Eagle County.

Support local businesses. Vote No on the 1A lodging tax this November.