



**NEWS: OUTDOORS** 

## Mixed bag for first Colorado counties to pursue lodging tax increases to pay for housing, roads and public safety

Chaffee, Custer, Eagle, Gilpin, Hinsdale, Ouray, Routt and Park counties proposed doubling or tripling lodging taxes under Senate Bill 1247, which allowed counties to seek voter approval to raise lodging taxes to 6%





FIBArk organizers say the 75th annual river festival drew record crowds to downtown Salida and Riverside Park on June 16-18, 2023 despite navigating challenges that included high water and the departure of the carnival. (David Krause, The Colorado Sun)



odging taxes — fees imposed on visitors — are typically easy wins for Colorado communities. But half of the eight counties <u>asking voters to approve significant</u> increases in local lodging taxes appeared to be struggling to sway voters on Tuesday.

Commissioners in Chaffee, Custer, Eagle, Gilpin, Hinsdale, Ouray, Routt and Park counties were the first to ask voters to increase lodging taxes under Senate Bill 1247, which allowed counties to <u>triple lodging taxes to 6%</u>, up from the previous cap of 2%. The legislation allowed counties to direct lodging tax dollars toward roads, housing, public safety and early childhood education.

Ballot Issue 1A in Chaffee County proposed an increase in the lodging tax to 5.9% from \$1.9% to generate **an additional \$3.5 million a year**, with 10% for tourism marketing, 35% for the county's three municipalities, 35% for roads and 20% for public safety and emergency services.

Chaffee County commissioners approved the ballot measure by pointing to the increasing costs of road improvements and public safety. The Chaffee County Business Alliance <u>raised</u> \$54,000 to oppose the measure, arguing the tripling of lodging taxes could <u>impact the region's tourism economy</u>.

Chaffee County early voting results Tuesday night showed 4,884 "no" votes on Ballot Issue 1A and 3,616 "yes" votes with 8,500 votes counted.

Custer County voters appeared poised to reject Ballot Issue 1A, which would have tripled the lodging tax to 6% and raised an expected \$170,000 for housing and childcare. Tuesday evening numbers out of Custer County showed 1,488 "no" votes against 745 "yes" votes for the lodging tax.

The voting in Eagle County was close late Tuesday. A <u>midnight tally</u> showed 4,069 votes supporting a plan to double the county's lodging tax to 4% and 4,014 votes against Ballot Issue 1A. The tax was proposed to apply in unincorporated areas and the Town of Gypsum,

with projected revenues around <u>\$4.5 million a year</u>. The measure would send 10% toward tourism promotion and the rest to support child care, public safety and emergency services.

Voters in Ouray County created <u>the county's first lodging tax</u>, set at 6% and expected to generate \$182,000 a year to support the local workforce and pay for police and emergency services. A final tally from Ouray County Tuesday night showed 870 voters approving the new tax, with 642 voting no.

Routt County voters appeared ready to approve a tripling of the county lodging tax to 6%, which was expected to <u>raise \$820,786 a year</u> for roads and public safety, with a small portion supporting tourism promotion. Routt County votes approving the lodging tax were at 1,751 Tuesday night, with 1,370 votes against the tax increase. That tax would apply across the county except for Hayden and Steamboat Springs.

Early tallies in Gilpin County showed voters supporting a tripling of the lodging tax to <u>6%</u> to <u>pay for roads and childcare</u>, with 1,158 "yes" vote and 951 "no" votes. Early results for ballot questions that would triple lodging taxes in Hinsdale and Park counties were not available at 9:30 p.m. on Tuesday.

The proposed county lodging tax ballot questions applied to properties in unincorporated areas and was not for towns or cities, which have spent years increasing lodging rates. Chaffee County's lodging tax proposal, however, did apply to the municipalities of Buena Vista, Poncha Springs and Salida.

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