



# Lodging Tax Extension: FAQs

## What is the Tax Extension? And what will it provide for the community?

- A new law signed by the Governor expands the use of local lodging tax revenue to address gaps in the need for workforce housing and childcare.
  - For the legislation to be applicable to the local Estes Valley community, there must be a ballot initiative where voters decide if they should authorize the use of new or existing lodging tax revenue for investments in workforce housing and childcare.
- The Tax Extension will increase funding for workforce housing and childcare options in the Estes Valley, while preserving essential funds for tourism marketing. This ensures that we can maintain and grow the benefits that tourism brings to the valley, as well as a sustainable community ecosystem for local workers to live and prosper.

## Who pays for the Tax Extension?

- Estes Park residents do not pay the lodging tax because it only applies to visitors (those paying to stay in a hotel or other overnight accommodations), so any increase to the tax does not affect locals.

## Is there support for the Tax Extension?

- The 16-member Lodging Tax Exploration Task Force concluded that an increased lodging tax would be the best way to create a meaningful, consistent and sustainable revenue stream.
- With one member absent, the task force voted 14 to 1 to develop a ballot issue that would ask voters to decide on an increase to the existing lodging tax with the new revenues dedicated to workforce housing and childcare.
- After taking into consideration the recommendations of the Task Force, discussions with community members and a significant amount of research, the Visit Estes Park Board of Directors recommended pursuing a tax extension with an increase of 3.5 percentage points. They also recommended using funds for both workforce housing and childcare.
- On August 1, The County Commissioners and Town Trustees voiced support for introducing a ballot measure in the November election as recommended by the Visit Estes Park Board of Directors.
- At its July 21, board meeting, the Estes Park EDC Board of Directors voted to endorse Visit Estes Park's recommendations on the outcomes of the Lodging Tax Exploration Task Force.
- On August 3, the Estes Chamber of Commerce Board of Directors voted to support the Lodging Tax Extension ballot measure.



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## **How have other similar communities in Colorado handled a similar tax extension?**

- The average increased lodging taxes in 13 other Colorado communities is approximately 6 percent.

## **Why only an increase of 3.5 percentage points? Other mountain communities have increased by more.**

- The Lodging Tax Exploration Task Force recommended the proposed increase of 3.5 percentage points over the current lodging tax, based on what the market would tolerate and other factors. Then, after taking into consideration the recommendations of the Task Force, discussions with community members and a significant amount of research, the Visit Estes Park Board of Directors recommended the same increase.

## **Why don't we pull money from Visit Estes Park to fund childcare/workforce housing?**

- If we take away marketing funding, we will lose market share and businesses will close. This has been proven over and over in destinations. Most notably in the state of Colorado, when they stopped funding tourism marketing in 1993. The state did not regain market share for 20+years. Estes Park cannot afford to do that.

## **The Colorado tourism case study was done in 1993, when there was little internet access; how is that still relevant to the industry today when we can get information about destinations anywhere?**

- Marketing is more important than ever in today's digital world. If we don't put the ads and content out there then people won't find us when they search. Competitors would appear at the top of a regular internet search instead because they have invested in marketing and implemented a coordinated effort.

## **Why should I pledge to vote?**

- To commit to voting in the November 2022 election and demonstrate support for the workforce that makes Estes Park such a special place to live and visit. The availability and affordability of workforce housing and childcare has been an issue in the Estes Valley for decades. We now have the opportunity to make significant, positive impacts on these two issues.



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## **How will the funds from the lodging tax extension be managed and implemented?**

- In a meeting between the boards of the Town of Estes Park, Larimer County and Visit Estes Park, the three entities decided that the Town would take the full implementation and oversight piece of the equation.

When a guest stays overnight, those funds are sent directly to the Colorado Department of Revenue. Then the money will pass to Visit Estes Park because that is the mechanism for all lodging taxes to be collected. Then VEP will send those funds to the Town to be used only for workforce housing and childcare.

The Town will be publishing their full foundational plan for how the funds will be distributed very soon. The plan will be published on the [taxyoudontpay.com](http://taxyoudontpay.com) website once available.