



Colorado 2024 Legislature in session.

Letters to Vail

VAIL HOMEOWNERS ASSOCIATION Short-term Rentals Taxation Bill Under Consideration January 24, 2024

A short-term rental bill ([Senate Bill 24-033](#)) has been introduced into the Colorado legislature. It proposes to increase the property tax of Short-Term Rentals (STR) from a residential taxation rate (approximately 6.7% assessment*) to a commercial rate (approximately 27.9% assessment*) for any unit rented for less than 30 days over more than 90 days in a calendar year. *Estimates - Vail Valley Partnership.

If passed, a quadrupling of property tax rates could unsettle residential real estate markets throughout the community as many residential property owners rely on income from short term rentals. A statewide one size fits all approach, in the absence of reliable cause-and-effect data, could have unintended consequences doing more harm than good. The legislation appears to be more of a special interest tax increase than an effort to resolve the complexities of the STR issue. Concerns have been raised that the 90 days maximum is too generous and would likely push much of the rental activity to the more lucrative and congested winter season, thus decreasing STR availability in shoulder seasons and summer.

Harry Frampton, chairman and founding partner of East West Hospitality (EWH), and other tourism and real estate industry interests [have taken a position in opposition](#). The EWH letter to the Colorado Governor urges a one-year delay to give adequate consideration to the implications of the proposition. It cites inequitable STR valuations between commercial and residential property tax assessments.

The Colorado Municipal League (CML) and Colorado Association of Ski Towns (CAST) are actively looking at the bill. The Town of Vail has yet to take a position on the matter. The TOV is being urged to do an analysis of potential impacts on Vail.

The Colorado legislature move on STR taxation is set against [continuing press coverage](#) about the effects of corporate consolidation and vertical integration within the ski resort industry.

VHA strives to provide clear and concise discussions of matters affecting the Vail community in the belief that an informed citizenry will be an engaged citizenry. Our intent is to promote more citizen involvement and community discussions of issues facing the Town. If these are issues that concerns you, please make your views known to candidates and [town officials](#). By joining with VHA, as a member, paid-subscriber or reader, you can add your voice to sustain what is good about our community and to shine a spotlight on important issues. See back editions of VHA communications on the Association's website.

To receive VHA letters and reports as a Reader, Paid-Subscriber or Member.

Contact:

vailhomeownersassoc@gmail.com

Post Office Box 238 Vail, Colorado 81658

Telephone: (970) 331-2099 Email: yha@vail.net Website: <https://www.vailhomeowners.com>

Copyright: 2024