

Midway City Council
6 July 2021
Work Meeting

Resort Communities Tax /
Review & Discussion



Memo

Date: 2 July 2021
To: Mayor, City Council and Staff
Cc: File
From: Brad Wilson, City Recorder
RE: Resort Communities Tax / Review and Discussion

The City Council requested to review and discuss the resort communities tax which is currently levied by Midway City. State law allows a community to levy the tax if its transient rental capacity is greater than or equal to 66% of its census population. The Council was concerned that the City would be unable to continually meet this requirement. There was also a concern that retaining the tax was having too great an influence on land use decisions.

The following table shows the amount of transient rental capacity received for each bedroom or campsite for certain types of rental units.

Type of Rental Unit	Transient Rental Capacity
High Occupancy Lodging Unit	4
Recreation Lodging Unit	4
Special Lodging Unit	TBD
Standard Lodging Unit	3

The attached table and chart show Midway's transient rental capacity, 66% of its estimated population, the difference between the two in transient rental capacity, and the difference between the two in hotel rooms or standard lodging units. This data is shown by year from 2006 through 2030. Future capacity is based on an annual growth rate of 2.16% which is an average of the previous ten years. Future population is based on an annual growth rate of 3.34% which is also an average of the previous ten years. This shows that population growth will continue to exceed capacity growth and the City will not meet the 66% requirement beginning this year. Three years are allowed to return to compliance.

The actual census population for 2020 will not be released until later this year and could change these estimates.

Please contact me if you have any questions.

Year	Transient Rental Capacity	66% of Census Estimate	Excess Capacity	Excess Hotel Rooms
2006	2514	1669	845	282
2007	2514	1669	845	282
2008	2514	1669	845	282
2009	2520	2293	227	76
2010	2916	2443	473	158
2011	2844	2538	306	102
2012	2862	2581	281	94
2013	2883	2655	228	76
2014	2895	2655	240	80
2015	2844	2928	-84	-28
2016	2934	3066	-132	-44
2017	2883	3233	-350	-117
2018	2859	3361	-502	-167
2019	2901	3470	-569	-190
2020	3518	3485	33	11
2021	3594	3604	-10	-3
2022	3671	3728	-56	-19
2023	3751	3855	-105	-35
2024	3832	3987	-156	-52
2025	3914	4124	-210	-70
2026	3999	4265	-266	-89
2027	4085	4411	-326	-109
2028	4173	4563	-389	-130
2029	4263	4719	-455	-152
2030	4355	4880	-525	-175

