



# Memo

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**Date:** 28 January 2025  
**To:** Mayor, City Council and Staff  
**Cc:** File  
**From:** Brad Wilson, City Recorder  
**RE:** Resort Communities Tax / Review and Discussion

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The City Council will review and discuss the Resort Communities Tax, which is currently levied by Midway City, at its strategic planning meeting on 30 January 2025. 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 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 3.16% which is an average for the previous ten years. Future population is based on an annual growth rate of 3.54% which is also an average for the previous ten years. Estimates are shaded.

The data shows that population growth will continue to exceed capacity growth, and that the City did not meet the 66% requirement beginning in 2022. State law allows three years to return to compliance. **It is anticipated that the City will no longer be able to levy the tax beginning July 1<sup>st</sup> of this year.**

The City received \$1,182,472 in resort tax in FY 2024. It is estimated that it will receive \$1.2 million in FY 2025.

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	3653	3604	49	16
2022	3833	4104	-271	-90
2023	3848	4010	-162	-54
2024	3855	4152	-297	-99
2025	3977	4299	-322	-107
2026	4102	4451	-349	-116
2027	4232	4609	-377	-126
2028	4365	4772	-407	-136
2029	4503	4941	-438	-146
2030	4645	5116	-470	-157

