WP 2026-22 · Working Paper · Pricing & Municipal Finance Program

Dedicated Coastal Wastewater, Beach, and Multi-Town Lodging Compacts: Cape Cod’s 2.75% Water Protection Fund, Virginia Beach’s 14%+$2 Stack, Door County’s 8% Tourism Zone, and East Coast STR Caps Across 179 Regimes

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Meridian Tourism Research Institute, New York, NY · November 21, 2026 · DOI: 10.5281/zenodo.24414612

Abstract. Benchmarking eight major Atlantic and Great Lakes seasonal gateways across 179 enacted regimes (133 U.S. peer benchmarks) demonstrates how dedicated water-quality excises, flat per-night beach fees, and unified multi-municipality tourism-zone compacts outperform fragmented local levies. Empirical highlights: 2.75% Water Fund (Cape Cod & Islands statutory lodging surcharge (14.45% total) dedicated exclusively to municipal wastewater & nitrogen debt relief); 14% + $2–$5/nt (Mid-Atlantic & Southeast percentage-plus-flat stacks in Virginia Beach (14%+$2) and Tybee Island (14%+$5) funding beach sand); 179 Regimes (Enacted global & U.S. laws live in MTRI Dataset v16.0 (133 pre-built U.S. municipal peer benchmark pages)).

JEL Classification: H27, H71, L83, Q26, R21 | **Keywords:** visitor levies, carrying capacity, short-term rentals, municipal finance

2.75% Water Fund Cape Cod & Islands statutory lodging surcharge (14.45% total) dedicated exclusively to municipal wastewater & nitrogen debt relief	**14% + $2–$5/nt** Mid-Atlantic & Southeast percentage-plus-flat stacks in Virginia Beach (14%+$2) and Tybee Island (14%+$5) funding beach sand	**179 Regimes** Enacted global & U.S. laws live in MTRI Dataset v16.0 (133 pre-built U.S. municipal peer benchmark pages)

1. Environmental infrastructure via lodging excises: Cape Cod’s $100M+ Water Protection Fund

Seasonal coastal towns across New England, the Mid-Atlantic, and the Great Lakes face a structural mismatch: summer visitor peaks double or triple peak hydraulic loads on septic systems, beaches, and water mains, yet local property-tax bases rely primarily on year-round homeowners. Version 16.0 of the Meridian Global Visitor Charges & Caps Dataset (179 enacted regimes and 133 U.S. municipal peer pages) documents how Cape Cod solved this fiscal gap through statutory infrastructure dedication.[1]

Under Massachusetts General Laws Chapter 64G, Section 3C, Barnstable County towns combine a 5.7-percent state room occupancy tax, up to 6.0-percent local option, and a dedicated 2.75-percent Cape Cod and Islands Water Protection Fund excise (14.45 percent total) applied equally to hotels and residential short-term rentals. Proceeds flow directly into principal forgiveness and zero-interest Clean Water Trust loans for municipal wastewater sewers—turning seasonal peak visitation into permanent watershed-remediation capital.[2]

Table 1. Atlantic, New England, and Great Lakes dedicated coastal lodging taxes, compacts, and STR caps (2026)

Jurisdiction	Enacted Tax Stack	Dedicated Earmark	STR Cap / Preemption	Admin Structure	Primary Statute
Cape Cod, MA	14.45% (2.75% Water)	Wastewater & nitrogen	State STR excise parity	Regional Water Fund	M.G.L. c. 64G § 3C
Martha's Vineyard, MA	11.7% (5.7%+6%)	Town general & housing	6-town STR excise	MA DOR centralized	M.G.L. c. 64G § 3A
Kennebunkport, ME	9.0% State Lodging	No local bed tax	Hard 400-license cap	Town Clerk registry	Kennebunkport STR Ord
Cape May, NJ	11.625%–13.625%	County tourism & NJ	Broker exemption rule	NJ P.L. 2018 c. 49	N.J.S.A. 54:32D-1
Ocean City, MD	11.0% (6%+5% Room)	DMO, beach & conv.	R-1/MH stay minimums	Worcester Cty / Town	MD Local Gov § 20-405
Virginia Beach, VA	14.0% + $2.00/nt	TIP, beach & conv.	Sandbridge + CUP zoning	City Revenue Comm.	VB Code §§ 35-156–167
Tybee Island, GA	14.0% + $5.00/nt	Beach sand & safety	R-1/R-2 ban & sunset	City STVR registry	O.C.G.A. § 48-13-51
Door County, WI	13.5% (8% Zone Tax)	70% DMO / 30% 19 towns	Act 59 (>=7d protected)	19-Town Zone Comm.	Wis. Stat. § 66.0615

2. Hybrid percentage-plus-flat stacks and attrition sunsets: Virginia Beach, Ocean City, and Tybee Island

Mid-Atlantic and Georgia barrier-island municipalities rely heavily on hybrid lodging charges that pair ad-valorem occupancy rates with flat per-room-night fees immune to shoulder-season rate discounting. Virginia Beach levies 8.0-percent local Transient Occupancy Tax atop 6.0-percent sales tax plus a $2.00/night flat fee (14.0 percent + $2/night) while restricting new vacation rentals outside Sandbridge through City Council Conditional Use Permits. Ocean City, Maryland pairs a 5.0-percent Worcester County room tax (11.0 percent total) with strict residential rental licensing.[3]

On Georgia’s Tybee Island—where short-term rentals surpassed 30 percent of residential parcels—council leaders paired a 14.0-percent plus $5.00/night stack with Ordinance 2022-05 prohibiting new R-1 and R-2 residential permits while rendering existing licenses non-transferable on property sale, shrinking commercial penetration naturally without retroactive takings liability.

3. Multi-municipality compacts vs. state preemption: Door County, Cape May, and Kennebunkport

Where state statutes constrain municipal autonomy, regional governance compacts capture scale economies individual villages cannot achieve alone. In Wisconsin—where 2017 Act 59 (Wis. Stat. § 66.1014) bars municipalities from prohibiting vacation rentals of seven days or longer—all 19 Door County municipalities united under the Door County Tourism Zone Commission to administer a single 8.0-percent room tax (13.5 percent combined), returning 30 percent directly to local municipal budgets and dedicating 70 percent to peninsula-wide stewardship under Wis. Stat. § 66.0615.[4]

Conversely, in Maine—where municipalities lack local bed-tax authority—Kennebunkport caps residential STR licenses at 400 units townwide, while New Jersey's Cape May navigates a statutory carve-out taxing online platforms at 11.625 to 13.625 percent while exempting direct real-estate broker bookings. Coastal finance directors planning 2027 capital budgets should evaluate multi-town collection compacts and dedicated environmental tranches modeled directly on Cape Cod and Door County.

References

[1] Chaiwat Saechueng and Mukesh Thakur, Global Dataset of Enacted Visitor Levies, Cruise Berth Caps, Timed-Entry Quotas, and Short-Term Rental Laws (2026 Edition — 179 Jurisdictions), v16.0, Meridian Tourism Research Institute / Harvard Dataverse, https://doi.org/10.7910/DVN/YAQLA1.

[2] Massachusetts General Laws c. 64G §§ 3, 3A & 3C (2018 Short-Term Rental Excise Expansion & 2.75% Cape Cod and Islands Water Protection Fund); Massachusetts Department of Revenue.

[3] Virginia Beach City Code §§ 35-156 to 35-167 & Zoning Ord. § 241.2; Maryland Local Gov. § 20-405 & Ocean City Code Ch. 14; O.C.G.A. § 48-13-51 & Tybee Island Ord. 2022-05.

[4] Wisconsin Statutes § 66.0615 (Room Tax 70/30 Split & Tourism Zones) & § 66.1014 (2017 Act 59 Right-to-Rent); Town of Kennebunkport Short-Term Rental Ordinance (400-License Cap); N.J.S.A. 54:32D-1 & 40:54D-4.

Suggested Citation: Saechueng, Chaiwat, and Mukesh Thakur. 2026. "Dedicated Coastal Wastewater, Beach, and Multi-Town Lodging Compacts: Cape Cod's 2.75% Water Protection Fund, Virginia Beach's 14%+$2 Stack, Door County's 8% Tourism Zone, and East Coast STR Caps Across 179 Regimes." Meridian Working Paper WP 2026-22, November 21, 2026. https://doi.org/10.5281/zenodo.24414612.

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