WP 2026-15 · Working Paper · Housing, Short-Term Rentals & Communities Program

Dedicated Short-Term Rental Housing Excises vs. Per-Bedroom Levies: Yield Stability, State Preemption, and Workforce Trust Design Across 125 Regimes

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Abstract. Comparing percentage STR surcharges, per-bedroom occupational taxes, and resort local-option taxes across 125 enacted laws shows how municipal finance offices insulate workforce-housing trusts from ADR swings and state licensing preemption. Empirical highlights: 3 Models (Statutory housing-revenue architectures: ad-valorem STR excises (2%–15%), per-bedroom levies ($15/nt or $400/yr), and resort LOTs); $15/Bed/Nt (Salida, Colorado’s dedicated STR Occupational Lodging Tax for affordable housing (3.1x commercial hotel rate)); 125 Regimes (Enacted municipal and national visitor-levy and housing ordinances coded in MTRI Dataset v9.0).

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1. Three distinct fiscal instruments now finance municipal workforce-housing trusts

Between 2021 and 2026, dozens of U.S. resort, mountain, and coastal municipalities moved beyond purely prohibitive zoning bans to treat commercialized short-term rentals as a dedicated fiscal base for year-round resident housing. Coding 125 enacted visitor-levy and short-term rental ordinances in Version 9.0 of the Meridian Global Visitor Charges & Caps Dataset identifies three legally distinct revenue architectures now operating in production across North America.[1]

The most widespread design is an ad-valorem percentage excise layered atop standard lodging taxes—ranging from Healdsburg’s voter-approved 2-percent Measure S housing tranche and Frisco’s 5-percent STR excise to Crested Butte’s 7.5-percent vacation-rental excise, Burlington’s 9-percent surcharge, and Ouray’s 15-percent excise. A second, rapidly emerging cohort led by Salida ($15.00 per bedroom per night Occupational Lodging Tax) and Winter Park ($400 per bedroom annual registration surcharge) assesses flat bedroom-scaled levies directly tied to the residential sleeping capacity removed from the long-term workforce rental pool.[2]

Table 1. Comparative statutory design of dedicated STR workforce-housing revenue instruments across U.S. municipalities (2026)

Jurisdiction	Instrument Type	Enacted Rate / Schedule	Companion Supply Rule	Statutory Housing Earmark	ADR / Preemption Resilience
Salida, CO	Per-bedroom nightly OLT	$15/bed/night ($1,000/yr license)	309-license zoned cap; 1/owner	100% Municipal Affordable Housing Fund	High: invariant to off-peak ADR discounting
Winter Park, CO	Per-bedroom annual fee + tax	$400/bed/yr + $150 base + 9% tax	Mandatory fire-safety registration	Workforce housing & lease-conversion grants	Very High: upfront annual cash receipt
Ouray, CO	Ad-valorem STR excise	15.0% STR Excise (+ 3.5% lodging)	120-license citywide cap	Workforce housing & water infrastructure	Moderate: scales with peak summer ADR
Burlington, VT	Ad-valorem STR surcharge	9.0% STR surcharge (+ local rooms tax)	Whole-home host residency mandate	Burlington Housing Trust Fund	Moderate: host rule shrinks unhosted base
Healdsburg, CA	Voter special TOT tranche	2.0% Measure S Housing TOT (16% stack)	Single-family residential STR ban	100% Affordable & Workforce Housing	High: backed by commercial luxury hotel ADRs
McCall, ID	Resort Local Option Tax	8.0% Resort LOT (4% streets, 3% grants)	HB 583 preempted local STR permits (2026)	Community housing & infrastructure grants	Preemption-safe: survives permit repeal

2. Revenue volatility, luxury regressivity, and bedroom-scaled incidence

For municipal budget directors pledging housing-trust receipts to multi-year developer gap financing or lease-conversion stipends (such as Truckee’s Workforce Rental Grant program and Winter Park’s Short-Term Fix), instrument choice governs fiscal predictability. Ad-valorem STR excises automatically capture inflation and luxury peak-season Average Daily Rate (ADR) spikes without council rate adjustments, but suffer sharp revenue drawdowns when shoulder-season discounting or tighter residential permit caps shrink gross booking volume.

Per-bedroom annual registration surcharges (Winter Park) collect 100 percent of budgeted housing revenue upfront during January license renewals regardless of weather or macroeconomic travel slowdowns, though flat per-bedroom nightly taxes (Salida) place a higher effective percentage burden on modest two-bedroom cottages than on ultra-luxury estates. Pairing a moderate base percentage excise with a modest per-bedroom annual registration fee balances progressivity across luxury listings with predictable baseline cash flow for housing authorities.

3. Surviving state legislative preemption: lessons from Idaho HB 583, Arizona, and Florida

State legislatures in Arizona (A.R.S. § 9-500.39), Florida (Fla. Stat. § 509.032(7)), and most recently Idaho (House Bill 583, effective July 1, 2026) have curtailed or repealed municipal authority to cap, zone out, or impose special operational permits on residential short-term rentals. McCall, Idaho provides the clearest 2026 statutory stress test: forced by HB 583 to repeal its local STR operational permit and mandatory inspection code in July 2026, the city nonetheless preserved and expanded its 8-percent Resort Local Option Tax (4 percent dedicated to streets and 3 percent to community housing and civic grants) across all stays under 30 days.[3]

Municipalities operating under state land-use preemption can legally protect resident infrastructure and workforce housing by shifting fiscal instruments onto uniform transient lodging taxes (Scottsdale’s 5-percent Bed Tax;

Okaloosa/Destin’s 6-percent Tourist Development Tax) or statewide STR excise sharing (Delaware’s 4.5-percent statewide STR tax paired with Rehoboth Beach’s 7-percent municipal rental tax), while enforcing neutral, generally applicable occupancy, parking, and noise ordinances.[4]

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 — 125 Jurisdictions), v9.0, Harvard Dataverse, https://doi.org/10.7910/DVN/YAQLA1.

[2] Salida Municipal Code Ch. 4, Art. VII ($15.00/bedroom/night STR Occupational Lodging Tax) & Ch. 6, Art. VI (Ord. 2026-22); Town of Winter Park Code Title 3, Ch. 10 ($400/bedroom housing fee).

[3] McCall City Code Title 4, Ch. 9 & Ch. 12 (8% Local Option Tax, Ord. No. 10-38) & Idaho House Bill 583 (effective July 1, 2026).

[4] City of Destin Code Ch. 13, Art. VI & Okaloosa County 6% TDT; City of Rehoboth Beach Code Ch. 95 (7% Rental Tax) & 30 Del. C. Ch. 62 (4.5% State STR Tax, effective January 1, 2025).

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