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The 15-Percent Threshold: Combined Lodging, TBID, and Short-Term Rental Excise Stacks Across 108 Enacted Regimes

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Abstract. Synthesizing 108 enacted ordinances shows U.S. resort municipalities routinely crossing 15 to 18 percent effective overnight tax rates by layering voter-approved short-term rental housing excises and tourism improvement assessments atop baseline hotel taxes. Empirical highlights: 15%–17.96% (Combined effective overnight tax band now reached across leading U.S. island, ski, and coastal gateways); 3 Layers (Typical statutory stack: base municipal TOT + 1%–3% hotel TBID + 5%–15% STR workforce-housing excise); 108 Regimes (Enacted municipal and national visitor-levy and capacity laws benchmarked in MTRI Dataset v6.0).

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1. How U.S. resort cities quietly crossed 15 percent without raising headline hotel rates alone

For decades, municipal finance directors and hotel associations treated a 12 to 14 percent combined room tax as an informal ceiling above which convention planners and leisure travelers might substitute toward neighboring counties. Coding 108 enacted visitor-levy and short-term rental statutes in Version 6.0 of the Meridian Global Visitor Charges & Caps Dataset reveals how dozens of U.S. mountain, island, and coastal jurisdictions have crossed the 15-percent mark since 2021 without triggering an abrupt collapse in overnight occupancy.[1]

Rather than enacting a single general-fund hotel tax hike, municipalities assembled three legally distinct layers. First sits the legacy state and municipal Transient Occupancy Tax (TOT) or Hotel Occupancy Tax (HOT). Second sits a self-assessed Tourism Business Improvement District (TBID) of 1 to 3 percent governed by lodging operators to ring-fence destination marketing budgets. Third—and fastest growing since 2022—sits a voter-approved excise surcharge applied specifically to residential short-term rentals (5 percent in Frisco and Vail equivalents, 9 percent in Burlington, 15 percent in Ouray) or statewide environmental surcharges such as Hawai‘i’s 0.75 percentage-point Act 96 Green Fee.[2]

Table 1. Selected U.S. resort jurisdictions crossing or approaching the 15-percent combined overnight tax threshold (2026)

Jurisdiction	Base lodging / state tax	TBID or special district	Dedicated STR / climate surcharge	Combined guest stack	Primary statutory earmark
Hawai‘i (State + County)	10.25% State TAT + 4.5% GET	3.0% County TAT	+0.75% Act 96 Green Fee (2026)	~17.96% effective	Climate resilience, beaches & county transit
Mammoth Lakes, CA	15.0% Municipal TOT	2.0% Mammoth Lakes TBID	Included in Measure L / TOT	17.00%	Workforce housing (The Parcel) & destination marketing
Ouray, CO	3.5% Lodging + 7.95% Sales	None	+15.0% STR Excise Tax	15.00% excise (+ sales)	Affordable workforce housing & water infrastructure
Frisco, CO	2.35% Lodging + 7.65% Sales/Transit	0.725% Housing Auth.	+5.0% Voter STR Excise	15.725%	Summit County workforce housing & childcare
Galveston, TX	6.0% Texas State HOT	Park / Beach Nourishment	9.0% Municipal HOT + $250/yr reg.	15.00%	Coastal erosion control, lifeguards & convention debt
Santa Barbara, CA	14.0% TOT (Measure I, 2025)	Regional TBID per-night	Proactive inland STR ban	14.00% + TBID	General municipal services & housing enforcement

2. Why asymmetric STR excises survive voter ballots where broad lodging taxes stall

Ballot returns across Colorado, California, Vermont, and Oregon point to a consistent political-economy mechanism. Under state taxpayer-consent rules such as Colorado’s TABOR (Article X, Section 20) and California’s Proposition 218—which requires a two-thirds supermajority when revenues are legally earmarked for a special purpose such as housing, versus a simple majority for general-purpose TOT measures like Santa Barbara’s Measure I—framing an excise tax around workforce housing and residential neighborhood impacts alters voter coalitions.[3]

Traditional hoteliers frequently remain neutral or supportive when a ballot measure taxes residential short-term rentals at a higher marginal rate than commercial hotels or pairs a modest TOT increase with funded enforcement against unpermitted residential listings. Year-round renters and service-sector employees support dedicated housing trust revenue, while non-resident second-home investors do not vote in municipal elections.

3. Implications for municipal revenue bond covenants and fiscal elasticity forecasts

For public-finance underwriters, rating analysts, and municipal budget officers, stacked lodging regimes introduce two structural modeling risks that standard single-rate TOT forecasts miss. First, revenue streams pledged to convention-center or infrastructure bonds rarely capture the newer dedicated STR housing excises or TBID assessments; yet travelers respond to the total tax-inclusive checkout price, meaning an uncoordinated 5-percent STR surcharge or cleaning-fee spike shares the same demand elasticity budget as the pledged base TOT.

Second, jurisdictions that pair higher tax rates with hard numerical permit caps—such as Frisco’s 900-license (25 percent) residential cap, San Diego’s 1-percent Tier 3 cap, or Portland, Maine’s 1.5-percent dynamic cap—mechanically cap taxable STR bed supply during peak weeks.[4] When cities tighten STR permit ceilings, budget offices must model how much displaced peak-season demand shifts into higher-ADR local hotels (as observed after

New York City’s Local Law 18) versus spilling into uncapped neighboring unincorporated counties.

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 — 118 Jurisdictions), v8.0, Harvard Dataverse, https://doi.org/10.7910/DVN/YAQLA1.

[2] Hawai‘i Act 96 (SB 1396, signed May 27, 2025, effective January 1, 2026); Town of Mammoth Lakes Municipal Code Ch. 3.12 (15% TOT) & TBID; Town of Frisco Code Ch. 110 & April 2022 5% STR Excise Ballot Measure; City of Ouray Voter Ballot Issue 2A (15% STR Excise, effective January 1, 2023).

[3] City of Santa Barbara Municipal Code Ch. 4.08 (Measure I, raising TOT from 12% to 14% effective January 1, 2025); Burlington Code of Ordinances Ch. 18 (9% Housing Trust STR surcharge).

[4] San Diego Municipal Code Ch. 5, Art. 10, Div. 1 (Ordinance O-21305); Portland City Code Ch. 6, Art. VII, § 6-153.

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