



Town of Vail Ballot Issue 2I – Fact Sheet

What is Ballot Issue 2I?

Without increasing the tax rate, 2I would authorize the town to retain the 0.5% housing sales tax collected in 2022 in excess of the \$4.5 million approved by Town of Vail voters in November 2021. The ballot language is as follows:

Ballot Issue 2I:

Ballot Title: Authorizing the retention of excess revenue from the Town's sales tax to be retained and spent on housing initiatives.

Ballot Text:

WITHOUT IMPOSING ANY NEW TAX OR INCREASING THE RATE OF ANY EXISTING TAX, SHALL THE TOWN OF VAIL BE AUTHORIZED TO RETAIN AND EXPEND WITHOUT LIMITATION THE EXCESS REVENUE RECEIVED BY THE TOWN FROM THE 0.5% SALES TAX LEVIED PURSUANT TO BALLOT ISSUE 2A PASSED BY THE TOWN'S REGISTERED ELECTORS ON NOVEMBER 2, 2021; PROVIDED THAT THE FUNDS SHALL BE USED FOR HOUSING INITIATIVES, HOUSING DEVELOPMENTS AND HOUSING PROGRAMS AND RELATED ACTIVITIES INSIDE AND OUTSIDE THE TOWN?

Why does the town need voter approval to retain the excess collections?

Colorado's Taxpayer Bill of Rights (TABOR) prohibits first-year collections of any new tax to exceed the amount stated in the original ballot language. Years 2023 and beyond do not restrict annual tax collection amounts.

Why does the town expect to exceed the collection limit in 2022?

Collections are significantly higher than estimates based on trend forecasts evaluated when writing 2021 Ballot Issue 2A because of the unforeseen increases in economic activity during the 2022 winter ski season and the inflationary price increases across sectors. The original ballot language projected that the new 0.5% tax collection would not exceed \$4.5M in 2022. Current forecasts project collections to total \$5.3M in 2022.

How would the money from 2I be spent?

As with all funds generated by the 0.5% voter-approved housing sales tax, the excess funds would be dedicated to funding housing initiatives, housing developments, and housing programs. The funds may be used for projects outside of town boundaries, as long as they are for programs that benefit the Vail community.

What happens if voters do not approve Ballot Issue 2I?

If Voters do not approve Ballot Issue 2I and the town exceeds collection limits, TABOR requires the town to pay a 10% penalty and "refund" the excess collections through a temporary pause in collections, for example asking merchants to stop collecting the half cent of tax during the months of January and February until the excess amount collected is reached.

Who can vote on Ballot Issue 2I?

Registered voters within the Town of Vail are eligible to vote on 2I. To check registration status, go to www.govotecolorado.com. The 2I ballot question is contained within the Eagle County coordinated mail ballot. Details here: [Voting and Elections \(eaglecounty.us\)](http://Voting and Elections (eaglecounty.us))

Source: Town of Vail Finance Department