



REGIONAL
HOUSING
ALLIANCE

S.T.E.E.R. Committee Agenda (Stakeholder Taskforce for Evaluation and Endorsement of Revenue-streams)

Date: Monday May 19, 2025

Time: 2-3:30 p.m.

Location: Durango Chamber Conference Room, 2301 Main Avenue, Durango, CO

Meeting #4

Purpose: Finalize the committee's findings and recommendations for viable funding mechanisms, in preparation for presentation to the RHA Board.

- 1. Welcome and Introductions (5 minutes)**
- 2. Review Narrowed List of Funding Mechanisms (20 min.)**
- 3. Group Discussion: Feasibility and Viable Recommendations (30 min.)**
 - Post-It Note Recap from Meeting #3
 - Review Initial Prioritization of top 3 Preferred Options
 - Q&A and Finalizing Recommendation(s)
- 4. Upcoming Meeting – RHA Board Presentation (5 min.)**
 - Thursday, June 12th from 2 -4 p.m. Durango Chamber Conference Room
- 5. Preparation for June 12 RHA Board Presentation (30 min.)**
 - Meet with smaller committee to finalize key messaging and presentation strategy
 - Draft Committee Letter to RHA

✓ 1. Purpose of the Letter

- To formally present the S.T.E.E.R. Committee's vetted recommendation(s)
- To highlight the evaluation process, including diverse input and thorough analysis
- To encourage the RHA Board's endorsement of the S.T.E.E.R. Recommendation

FOLLOW UP DISCUSSION: FUNDING OPTIONS

REGIONAL HOUSING ALLIANCE – S.T.E.E.R ADVISORY COMMITTEE

MAY 19, 2025



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FUNDING OPTION 1: SALES & USE TAX REVENUES

SEEK VOTER AUTHORIZATION FOR SALES & USE TAX INCREASE

- If the RHA wanted to proceed with a ballot measure for a increase, it would need to request at least a rate increase of 0.19% to generate \$3 million of revenue.
- The table notes an increase of 0.20% to round up to the next cent.
- This results in taxes of \$0.20 due for every \$100 purchase.

State of Colorado Department of Revenue Sales Tax Returns by County	
2024 Net Taxable Sales	1,614,966,127
RHA Tax Rate	0.20%
Estimated RHA Revenue	3,230,000

FUNDING OPTION 2: LODGER'S TAX INCREASE

WORK WITH THE COUNTY TO REQUEST LODGER'S TAX INCREASE

- HB25-1247 was passed during the 2025 legislative session and allows the lodger's tax rate to be increased to 6.00%, pending voter approval, and expands the allowable uses of those revenues.
- If the County wanted to reallocate the use of revenues already approved from the 2.00% lodger's tax to the additional allowable uses, it would need to receive voter approval to do so.
- Based on the County's 2025 budget, if the lodger's tax rate was increased to 6.00%, it is estimated that it would only generate approximately \$2.5 million **in total**, which is short of the RHA's funding target of \$3 million.
- All of these revenues would not be available to the RHA unless the ballot question adjusted the allowable uses for the existing 2.00% tax.

La Plata County FY2025 Budget Allocation of 2% Lodger's Tax

Expense	Amount
Community Child Care	\$335,621
La Plata Homes Fund	118,560
LPC Tourism	255,000
Regional Housing Alliance	140,819
Total	\$850,000

FUNDING OPTION 3: PROPERTY AND SALES & USE TAX INCREASE

SEEK VOTER AUTHORIZATION FOR PROPERTY & SALES AND USE TAX INCREASE

	Sales Tax		Property Tax		Estimated Tax Increase for Average Home Value (\$675,827)*
	Tax Rate	Revenue Target	Tax Rate	Revenue Target	
Scenario 1: 25% ST; 75% PT	0.05%	750,000	1.093	2,250,000	\$45.46
Scenario 2: 50% ST; 50% PT	0.10%	1,500,000	0.729	1,500,000	\$30.32
Scenario 3: 75% ST; 25% PT	0.14%	2,250,000	0.365	750,000	\$15.18

* Estimated average home value for the County. Tax impacts calculated assuming 2024 certification calculations (taxes due in 2025).

- If the RHA wanted to proceed with a ballot measure to increase property tax and sales and use tax rates, it would need to determine the combination of tax rates that it would like to pursue.
 - The table above presents options but could be modified depending on further discussion and feedback. The tax impacts would be dependent on the ultimate tax increases asked of voters.





POST-IT NOTE RECAP FROM MEETING #3

YOU'LL RECEIVE 3 POST-ITS (GREEN, YELLOW, PINK)

GREEN = STRONG SUPPORT – “PROMISING/LOOKS VIABLE”

YELLOW = MORE ANALYSIS – “UNCLEAR/NEEDS MORE INFO.”

PINK = CONCERNS – “LESS FAVORABLE.”

COMMITTEE PRIORITIZED:

- NEW SALES TAX
- EXISTING SALES TAX (REALLOCATION)
- COMBINATION OF SALES + MILL LEVY

Today's Process: Finalizing the Recommendation

1. **Revisit Top 3 Options** – Recap pros, cons, and questions
2. Should we recommend a **single strategy or the top 3 options**?
3. If we could **only move one option forward**, which would it be – and why?
4. Are there political, legal, or timing realities that make one option more practical?
5. **Finalize Recommendation**
 - Draft summary or letter for RHA Board presentation (June 12)

APPENDIX – TAX DETAILS

PRELIMINARY TAX ANALYSIS

Sales Taxes

State of Colorado Department of Revenue Sales Tax Returns by County

2024 Net Taxable Sales	1,614,966,127
Maximum RHA Tax Rate	1.00%
Maximum RHA Revenue	16,149,661

Property Taxes

La Plata County - 2024 Certification

Net Assessed Value	2,059,038,100
Maximum RHA Mill Levy	5.000
Maximum Revenue	10,295,191

Tax Scenarios - \$3 Million of Annual Revenue

	Sales Tax		Property Tax	
	Tax Rate	Revenue Target	Tax Rate	Revenue Target
Scenario 1: 25% ST; 75% PT	0.05%	750,000	1.093	2,250,000
Scenario 2: 50% ST; 50% PT	0.10%	1,500,000	0.729	1,500,000
Scenario 3: 75% ST; 25% PT	0.14%	2,250,000	0.365	750,000

Sources: [Sales County Report 2016 To Date.xlsx - Google Sheets](#); La Plata County FY2025 Budget

OTHER SALES TAX RATES

City of Durango		Town of Bayfield		Town of Ignacio	
Entity	Tax Rate	Entity	Tax Rate	Entity	Tax Rate
State of Colorado	2.90%	State of Colorado	2.90%	State of Colorado	2.90%
County	2.00%	County	2.00%	County	2.00%
City of Durango	3.50%	Town of Bayfield	3.00%	Town of Ignacio	3.00%
Total	8.40%	Total	7.90%	Total	7.90%
Taxes Due for \$100 Purchase	\$8.40	Taxes Due for \$100 Purchase	\$7.90	Taxes Due for \$100 Purchase	\$7.90

- This is the maximum tax rate applied for purchases. The actual tax rate applied depends on the item being purchased.
 - The RHA sales tax would apply to the same items as the State sales tax except it does not apply to cigarettes.
 - The State does not tax food for home consumption so that rate would not be applied for related purchases.
- Based on the information presented on the State's website, all other areas within the County with the exception of these three areas charge a total sales tax rate of 4.90%.

Source: Colorado Sales Tax Lookup

OTHER PROPERTY TAX RATES

EXAMPLES OF TAX RATES WITHIN THE RHA

Sample Tax Levy - Durango	
Entity	Mill Levy
La Plata County	8.500
Durango School District	31.587
City of Durango	5.007
Animas Mosquito Control	1.400
Southwestern Water Consv	0.380
Animas-La Plata Water	0.371
Combined	47.245

For a \$675,827* home, this resulted in \$1,965 in property taxes due in 2025.

Sample Tax Levy - Bayfield	
Entity	Mill Levy
La Plata County	8.500
Bayfield School District	35.148
Town of Bayfield	5.950
Upper Pine River Fire	14.398
Pine River Library	4.000
Southwestern Water Consv	0.380
Pine River Cemetery	0.150
Combined	68.526

For a \$675,827 home, this resulted in \$2,850 in property taxes due in 2025.

Sample Tax Levy - Ignacio	
Entity	Mill Levy
La Plata County	8.500
Ignacio School District	19.441
Town of Ignacio	5.007
Southwester Water Consv	0.380
Ignacio Cemetery	0.244
Los Pinos Fire Protection	9.500
Ignacio Comm Library Dist	1.500
Combined	44.572

For a \$675,827 home, this resulted in \$1,854 in property taxes due in 2025.

Other Taxing Entities

- The mill levies shown above are just for one representative tax area within the three communities noted. There are hundreds of tax areas reported by the County.
- Mill levies within La Plata County range from a low of 29.821 to a high of 310.583.
 - Properties within a metropolitan district have a notable higher total mill levy rate. Most are approximately 110 to 115 mills with the exception of the high mill levy noted above which is in the Twin Buttes Metropolitan District.

Source: Mill Levies by District

* Reflects median home value in La Plata County.