



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: Staff Member/Dept:

Agenda Item:

Recommended Motion:

Reasons for Recommendation:

- The City Council supported scheduling a November election to re-authorize the **Original** Local Option Tax. In addition to re-authorization of the LOT, the Council supported potentially increasing the tax on “Lodging” and included “services” that are currently taxed by the State of Idaho.
- Staff completed the initial public feedback process during both the May 12th Open House and an online survey. Staff will review the findings and then stand for direction regarding any further changes.
- Staff will complete an additional more robust public engagement effort in June and return to start the ordinance reading/hearing process to meet with August deadline for transmittal of the ballot language to the County Clerk.

Sustainability Impact:

Financial Impact:

Attachments:

1. Slide Deck (PDF)



FY 2027

Budget Development/Strategic Planning
- Local Option Tax Feedback & Options



Original Local Option Tax

Open House Feedback

- Overall strong support for Local Option Taxes
 - Concern with the proposed increase to Lodging
 - Price tag concerns
 - Maintaining a competitive market (particularly Sun Valley)
 - Bad timing
 - Many were not against a change to Retail and/or Building Materials
 - Even in fractions (0.25 or 0.50%)
 - Some reluctance to change liquor by the drink
 - “Services” new category had mixed emotions
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- Overwhelming gratitude for the City’s efforts to share and collect feedback from the community



Percentage Option(s)

(#1) April proposal

Category	Current %	Proposed % Increase	Financial Impact
Retail	1%	-	-
Liquor	2%	-	-
Building Materials	1%	-	-
Lodging	2%	5%	\$2.0M
“Services” (new category)	Idea proposed, no amount mentioned		TBD
TOTAL			>\$2.0M

(#2) Other options

Proposed % Increase	Financial Impact
.5%	~\$1.1M
-	-
.5%	~\$254k
2%	~809k
	TBD
	>~\$2.2M



Discussion & Next Steps

- Tonight
 - Is there consensus on a smaller Retail change?
 - Is there consensus on the proposed change to Lodging?
 - Equal increase to Building materials, parity with Retail?

- June 11 Draft LOT Ballot language presented
- Mid-June 2nd Open House / community feedback
- June 25 Report feedback; finalize language
- July 9 1st reading of ballot language