



MEASURE: SB 307
EXHIBIT: I
Senate Finance and Revenue 76th Session
DATE: 03-30-2011 PAGES: 1
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March 30, 2011

Honorable Ginny Burdick, Chair
Senate Finance and Revenue Committee

RE: Support of SB 307, Transient Lodging Tax

Chair Burdick,

The League of Oregon Cities, representing all 242 cities in the state, wishes to express support of SB 307.

The current preemption on locally-levied transient lodging taxes (TLT) hampers cities' ability to address increased demands placed on public safety, essential services and infrastructure needs resulting from tourism activities.

In 2003, the Legislature required 70 percent of revenues from any new or increased local TLT to be used exclusively for the promotion of tourism and tourism-related facilities. While tourists benefit communities, they also place increased demands on local infrastructure and services. This preemption has prohibited cities from having the flexibility to utilize revenue to address tourism impacts and generally meet the needs of their communities. Previously, decisions on how to best allocate transient lodging taxes had been made locally, by those best suited to understand local community needs.

During the 2011 Legislative Session, The League has worked with the Legislature to allow local governments *more flexible use* of TLT revenues and provide local government more tools to meet the increased demands placed on their communities as a result of tourism activities by either broadening the definitions of tourism related activities or adjusting the 70 percent preemption that was approved in 2003. These changes would free up cities to make their own determinations as to how to use those revenues.

The Task Force on Comprehensive Revenue Restructuring recommends "reducing restrictions on local government's ability to raise revenue." The expansion of the allowable purposes for increased TLT granted by SB 307 does just that.

In addition to SB 307, TLT bills supported by the League are:

- SB 541 – expanding tourism promotion & facility definitions
- SB 542 – expanding tourism-related facility definition to include roads servicing tourism facilities
- HB 3518 – adjusts percentage allotment to a more equitable 50/50

We look forward to the opportunity to discuss each of these bills before the committee.

Thank you for your consideration.

Respectfully,

Michael Novak
League of Oregon Cities

"Getting it done for Oregon's cities!"