

**Testimony of Randy Tucker, Legislative Affairs Manager
In Support of House Bill 2656
House Committee on Revenue
March 6, 2013**



Metro supports HB 2656 and the efforts of the tourism and hospitality industries to develop fair and transparent methods for assessing, collecting and remitting transient lodging tax revenues.

HB 2656 addresses key issues for convention and visitor bureaus, tourism development organizations, and cities and counties throughout Oregon by clarifying that online travel companies must remit the actual transient lodging taxes they collect from hotel guests to local governments. Currently, companies such as Expedia, Orbitz and Travelocity collect these taxes on the retail price charged to hotel guests but remit an amount based upon the wholesale price the company paid for the room. The result is lower tax revenues for important tourism promotion efforts, which generate significant economic impact for Oregon businesses and fiscal impact to state and local governments.

Metro has a direct interest in maximizing transient lodging tax revenues that support tourism due to its ownership of the Oregon Convention Center and management of the Portland Center for the Performing Arts. Both venues are funded in part by, and generate, significant transient lodging taxes.

Oregon Convention Center:

- Transient lodging taxes fund approximately 30% of the facility's annual budget, totaling \$15 million (FY 2011-12)
- Each year, the facility hosts 500 events and 575,000 visitors, which generate \$450 million in regional spending and \$15.5 million in state and local (Clackamas, Multnomah and Washington Counties) taxes, \$7.8 million of which are transient lodging taxes
- Roughly 4,500 jobs are supported directly and indirectly through the facility's operations

Portland Center for the Performing Arts:

- Transient lodging taxes fund approximately 17% of the facility's annual budget, totaling \$2 million (FY 2011-12)
- Each year, the facility hosts 880 performances and 770,000 visitors, which generate \$58 million in spending and \$1.4 million in state and local taxes (Multnomah County only), \$689,000 of which are transient lodging taxes
- Nearly 650 jobs are supported directly and indirectly through the facility's operations

Source: Crossroads Consulting, Metro Visitor Venues Fiscal & Economic Impact Report, February 2012

The tourism and visitor industry is an integral component of the state's economy. In the three-county Portland region alone, over 30,000 jobs are related to this sector, translating to \$916 million in personal earnings, according to Travel Portland.

I urge you to support HB 2656 so that Oregon transient lodging taxes are assessed, collected and remitted in a fair and transparent manner. Passage of this bill will result in greater successes as Metro works with its partners to generate economic activity and promote tourism in our region and beyond. Thank you very much for your consideration of these comments.