



STATEMENT IN OPPOSITION TO PROPOSED TRANSIENT LODGING TAX AMENDMENTS – HB 2064

May 18, 2017

House Revenue Committee

Chair Barnhart and Members of the Committee

The Oregon Destination Marketing Organizations (ODMO) opposes the proposed amendments to HB 2064 which would significantly alter the current transient lodging tax policies. ODMO is a non-profit organization representing destination marketing organizations, convention and visitor bureaus and chambers of commerce responsible for marketing specific geographic areas as visitor destinations.

The proposed amendments erode an important provision of the Tourism Investment Program (HB 2267) enacted by the Legislature in 2003. In addition to establishing a statewide room tax to fund Oregon's tourism marketing program, HB 2267 created a local transient lodging tax policy requiring that no less than 70% of new or increased local room tax revenues be dedicated for tourism promotion and tourism facilities.

The Legislature and the Governor deemed the reinvestment of lodging tax revenues essential for economic growth and were to be used to generate additional lodging stays where visitors spend money on accommodations, restaurants, retail shops, recreations and many other services. This was a deliberate strategy to stabilize local level tourism funding and to generate positive returns for Oregon communities. Our association of destination marketing organizations supported that policy in 2003 and continue to believe that it is a critical component in the economy across the state. Local and regional tourism and hospitality organizations (public and private) collaborate with the state to maximize the economic benefit of these investments.

Since the Tourism Investment Program was adopted, visitor spending in Oregon went from \$6.5 billion in 2003 to \$11.3 billion on 2016. Last year, Oregon destinations hosted 28.4 million overnight visitors with hotel room revenue throughout the state increasing by 8%. And, the number of direct travel industry jobs rose to 109,500. The travel industry is one of the top three export-oriented industries in rural Oregon counties.

The proposed amendments will dilute the reinvestment requirement for local transient lodging taxes which will have an adverse impact on the industry in Oregon. It will result in a reduction in both jobs and state and local tax revenues at a time when the economy is threatening our state and local economies at a level most of us have never experienced before.

Please oppose eroding the Transient Lodging Tax provisions and help support Oregon communities across the state by ensuring that we can maintain our market share in the tourism industry.

Prepared by Bill Cross & Niki Terzieff, Government Affairs Advocate, ODMO May 18, 2017