

Willamette Valley
OREGON WINE COUNTRY

June 22, 2020

Joint Interim Committee on the First Special Session of 2020
Co-Chair Courtney, Co-Chair Kotek, Co-Vice Chair Girod, Co-Vice Chair Drazan
900 Court St., NE
Salem, OR 97301

Re: HB 4047 Support, State Transient Lodging Tax,

Dear Co-Chair Courtney, Co-Chair Kotek, Co-Vice Chair Girod, Co-Vice Chair Drazan and members of the Joint Interim Committee on the First Special Session:

On behalf of Oregon's tourism industry and the Willamette Valley Visitors Association, I am writing to ask for your support of HB 4047 which would lift the sunset on the state transient lodging tax (TLT) and maintain the current level of investment in Oregon's tourism industry.

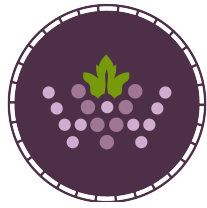
The TLT was established in 2003 to create a dedicated funding source to promote tourism and economic development in the hospitality industry in Oregon. In 2016 the tax was adjusted to 1.8% with a sunset to 1.5% in July 2020.

As you may know, 30% of the TLT funds are leveraged to bolster the Regional Cooperative Tourism Program (RCTP) and Competitive Grants Programs led by Travel Oregon.

These programs support local communities throughout the state by helping them develop their destination, conceiving new tourism assets, expanding the visitor industry and improving local livability for residents and those who visit. Following the COVID-19 pandemic the Willamette Valley will need support and alignment from state, regional and local partners as we are a core driver of visitation to the communities we serve. During this crisis, invaluable work has continued at the city, county and regional level, but the lack of funding has put all tourism organizations at risk. As a 501C6 organization, we do not qualify for the Payroll Protection Program or other state and federal COVID-19 response dollars. For the RDMOs and Travel Oregon, the 0.3% can go a long way in staff and programming retention to keep serving Oregon as the premier visitor destination it is.

As leader of the Willamette Valley's Regional Destination Marketing Organization, one of seven in the state, I am urging you to lift the sunset and maintain the statewide TLT at 1.8%. The success of the programs administered by Travel Oregon through revenue generated from this tax have been critical to our region's success in growing jobs and increased economic activity for our community.

The Willamette Valley's regional grant program (sourced from 1.8% TLT Tax) has supported our ability to award more than \$335,000 to 29 grant recipients across the region from 2017 to current. We have been able to provide funds to many partners including the City of Harrisburg, Gilbert House Children's Museum, Albany Historic Carousel & Museum, and Corvallis to Sea Trail among others. These local partners have been able to leverage funds to expand exhibits and museum space, install signage and become more ADA accessible, all which serve and enhance the visitor experience.



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Through Travel Oregon's 2020 Emergency COVID Response Grant Program, 22 Willamette Valley organizations received \$155,000 in direct operational support costs. In the 2019 statewide cycle, the region received \$160,500. Without the current state TLT 1.8% rate, these statewide and regional grant programs will be drastically reduced due to the lack of TLT collected for an entire quarter (and more) from COVID-19 Stay at Home Orders layered on top of a decreased tax percentage.

Within the Willamette Valley, measurable growth has been tracked and is visible in our 2017-2019 biennial report. Over the last biennium the Willamette Valley region has seen growth in direct employment, employee earnings and visitor spend. Prior to COVID-19, the positive impact of tourism and the hospitality industry employed 22,600 jobs equating to \$565 million in employee earnings and a total of \$1.7 billion dollars in visitor spending. The investment has also delivered an increase in visitors that result in more resources that support jobs, culture, infrastructure and public services.

The investments that support our region as a destination for visitors inside and outside the state and provide added value to the residents of our community would not have been possible without leveraging state programs via the Regional Cooperative Tourism Program supported by the statewide 1.8% TLT. I would be happy to share more details on how our communities benefit directly from this resource and answer any questions you may have as you consider this important legislation.

Again, we urge your support of HB 4047. The decision to keep the current statewide lodging tax rate at 1.8% will ultimately support continued economic recovery, resilience and growth in every region of Oregon. Please don't hesitate to contact me if I can be of further assistance.

Sincerely,

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