



**June 22, 2020**  
**Oregon Destination Association**  
**Testimony to the Joint Interim Committee**

Dear Joint Interim Committee on the First Special Session of 2020  
Co-Chair Courtney, Co-Chair Kotek, Co-Vice Chair Girod, Co-Vice Chair Drazan

My name is Alana Hughson and I am the Managing Director of the Oregon Destination Association (ODA). ODA is the association representing the unified voice of Oregon's Destination Marketing and Management Organizations (DMMOs), Chambers of Commerce and Visitors Centers across Oregon. In the 2019 legislative session we coalesced as an industry to convey our strong and unified support for HB 4047, retaining the 1.8% statewide lodging tax rate, scheduled to sunset and return to 1.5% on July 1.

COVID-19 has devastated Oregon's travel and tourism industry and small businesses across Oregon. During the first nine weeks of the pandemic claims for traditional unemployment from the Oregon tourism industry spiked: 152,000 from the restaurant and lodging industry and 111,000 from the arts, entertainment and outdoor recreation industry. We saw 7 in 10 lodging employees and 8 in 10 food service workers laid off. Investments made to recover the tourism industry will contribute to regaining some of these lost jobs. We need your help to ensure our grassroots DMMOs are prepared to rebuild Oregon's post-COVID economy. Maintaining the 1.8% statewide lodging tax is essential.

When HB 4146 was passed in 2016, it increased the state lodging tax to 1.8%, and mandated that 30% of statewide lodging tax revenue be dedicated to community investments through local competitive grant programs and the Regional Cooperative Tourism Program (RCTP). This critical grassroots funding directs resources to the local level, which is then leveraged by the DMMOs in their local economies through an array of arts and culture programming, outdoor recreation infrastructure, sustainable tourism projects, events, and economic development initiatives.

Travel Oregon recently awarded \$800,225 to local Oregon tourism businesses to support job retention and stabilizations – keeping the tax rate at 1.8% allows the agency to continue supporting these local, small tourism businesses through COVID-19 recovery. These businesses will be critical as part of COVID-19 recovery as the state begins to reopen and the tourism economy begins to rebuild.

The leveraged RCTP partnership programs are extensive and span all seven tourism regions. I'll share just a few project samples to showcase what the regional and local DMMOs have been able to advance for Oregon because of statewide collaboration:

- In Central Oregon, funds were leveraged with local tourism resources to create a Commercial Air Service Development and Marketing Fund. This led to the match necessary to apply for and secure a federal Small Community Air Service Development Program (SCASDP) grant, which expanded commercial air service to the region. – Central Oregon further leveraged their investment with more than \$220,000 in grant funding to community non-profits for arts, culture, and sustainable outdoor recreation initiatives.
- The Portland region encompasses the cities of Portland and Gresham, the urban areas of Clackamas County and the entirety of Washington and Columbia counties. Partnership investments have supported convention sales through Portland's Visitor Development Fund (VDF) and transformative local development projects, including preservation of the Willamette Falls Locks; Salmonberry Trail trailhead improvements; facility improvements at the Mt. Hood Community College Aquatic Center and bicycle tourism infrastructure along the Banks-Vernonia Trail.
- In Southern Oregon the RCTP investment provided for mountain bike trails and events, including the Mountain of the Rogue Trail System, the Ashland Watershed Trail Alliance. In addition, Travel Oregon worked with local partners to host the Klamath Basin Rural Tourism Studio in 2017. This program resulted in the Klamath Basin landing page, bicycle maps, and tourism-related product. To address the need for shoulder-season visitor experiences, Travel Oregon is working in partnership with Discover Klamath to develop content and structure for a stakeholder workshop this spring.

There are countless programs and stories from all seven regions, as they have been galvanized by the state lodging tax investment to create sustainable marketing and product development programs. These opportunities are particularly vital to Oregon's rural communities as they continue to transition from resource-based economies to economies that include tourism marketing and management. We cannot afford to reduce or cease this momentum so critical to our rural partners.

Your support to maintain the statewide lodging tax at 1.8% will allow tourism regions and their DMMO's to plan for strategic investments, and to continue important projects and partnerships already underway. Thank you for helping your tourism partners to remain stewards of Oregon's natural wonders. Like you, we will continue our work to support local communities and improve livability for all Oregon residents.

Sincerely,

*Alana Hughson, Managing Director  
Oregon Destination Association*