

January 29, 2020

Representative Nathanson, Chair
House Committee on Revenue
900 Court St., NE
Salem, OR 97301

Re: HB 4047 Support, State Transient Lodging Tax

Dear Chair Nathanson, Vice-Chair Marsh, Vice-Chair Reschke and members of the House Revenue Committee:

On behalf of Oregon's tourism industry, 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 dollars that 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: helping them develop their destination, conceiving new tourism assets, expanding the visitor industry and improving local livability for residents and those who visit.

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.

In the Willamette Valley, the state program 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 among others. These local partners have been able to leverage funds to expand exhibits, install signage, expand museum space, and become more ADA accessible, all which to serve and enhance the visitor experience. Through Travel Oregon's grant program, the Willamette Valley has seen grant investment of \$160,500 within our region last year. Recipients include the Salem Riverfront Carousel, to assist in a feasibility study to expand; the City of Independence to construct and install pedestrian wayfinding signage throughout downtown; and the Cottage Theatre to remodel and increase capacity in addition to ADA seating. Within the Willamette Valley, measurable growth has been tracked and is visible in our 2018 report. Growth in direct employment, employee earnings and visitor spend equates to what is recorded as 22,600 jobs, \$565 million in employee earnings and a total of \$1.7 billion dollars in visitor spending. Without the current state TLT 1.8% rate, these

grant projects and regional funding will be cut and programs that leverage these state dollars will be scaled back. The investment has also delivered an increase in visitors which has equated to increased 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 the state support through the TLT. I would be happy to share more details on how our communities benefits directly from the TLT and answer any questions you may have as you consider this important legislation.

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

Sincerely,

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