



March 22, 2017

Rep. Anne Lininger, Chair
House Economic Development & Trade Committee
900 Court St., NE
Salem, OR 97301

RE: Opposition to HB 2744 & HB 2768

Dear Chair Lininger & Members of the Committee:

The Tourism Development Council (TDC) of Oregon's Mt. Hood Territory (OMHT), the destination management organization for Clackamas County, opposes HB 2744 and HB 2768.

The TDC is a nine member citizen board comprised of tourism professionals and lodging property representatives. The TDC directs and oversees the work of the Clackamas County Tourism & Cultural Affairs staff. We serve on this board because we recognize the vital economic impact that tourism promotion and development efforts have on the communities of Clackamas County. Transient lodging tax (TLT) is a tax on lodging properties that is paid by visitors rather than residents and is supported by the industry because TLT revenues are used to promote and develop tourism assets. At the local and state level, TLT revenues provide the only source of funding to support this scope of work.

The proposed changes by HB 2744 and HB 2768 would compromise this sole source of funding for successful programs that are the primary driving force behind increased tourism activity in communities across the state and the corresponding rise in jobs in local communities and improving economic vitality. This is especially true for many rural communities in Oregon and Clackamas County for whom tourism is the primary economic development opportunity. Numerous studies have shown that every dollar spent on tourism marketing generates four dollars in visitor spending in our communities. Reducing available resources for tourism promotion and development will result in decreased overall tax revenues and visitor spending at local businesses and communities.

There is a difference between community development projects and programs, and tourism promotion and development efforts. Projects such as sidewalks, benches, planter boxes, parking facilities, etc., as well as public safety services are not necessarily related to tourism activities. The impact that visitors may have was already contemplated in the original TLT statutes which allow 30% of the TLT funding to return to local government to support such services and projects. It seems counterproductive to diminish and redirect even more of the only source of funding for local tourism efforts that provide jobs and economic vitality for local communities.

We believe the desire of some local jurisdictions to seek more funding for community development projects and public services from TLT revenues is misguided and shortsighted. We respectfully ask that you oppose HB 2744 and HB 2768.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Erickson", is written over the typed name and title.

John Erickson
Chair, Clackamas County Tourism Development Council