

March 19, 2019

The Honorable Mark Hass, Chairman
Senate Finance and Revenue Committee
900 Court Street, NE | Oregon State Capitol
Salem, OR



Dear Chairman Hass and Honorable Members of the Committee,

My name is Rebecca Bond and I thank you for the opportunity to express my opposition to SB595.

The tourism industry is a true partnership between local DMOs, local businesses, Regional Destination Management Organizations, and Travel Oregon. These entities work together to increase economic activity and create jobs in every corner of the state; 1,800 jobs in Linn County.

The existing statute is in place to allow the industry that generates the tax, a portion of the revenue to continue investing in their local community through developing tourism-related facilities and promotion of the community so that they can bring visitors in to ensure locals have jobs year-round. A reduction in this revenue stream could erode the economy and the industry.

Most tourism dollars are spent to promote Oregon during the off season. Local dollars need to be used to promote local communities to benefit all businesses and their employees year-round. Transient lodging tax spending is primarily used for promotion, destination development, and community and business development. In Linn County these dollars have helped support events like the Willamette Valley Quilt Festival, NW Art & Air Festival, & NW Tandem Bicycle Rally; promotional efforts such as the Capitol Christmas Tree that came from the Willamette National Forest through the Sweet Home Ranger District, portable pitching mounds to help facilitate regional sports tournaments, welcome table and media materials, and staff and volunteer training opportunities.

If the TLT investment in marketing and development of tourism products is reduced, you will see a diminished return on dollars coming into the community. Reducing the TLT investment is short sighted and will harm local economies in every corner of the state. Oregon and its rural communities cannot support healthy diversified economies without the investment we have in tourism.

Destination Marketing Organizations (DMO's) around the state, the Oregon Destination Marketing Organization (ODMO), the Oregon Restaurant and Lodging Association (ORLA) and others, are in opposition to this bill. While housing is a big issue throughout the state, SB595 places an unfair penalty on hotels and burdens one industry with trying to fund a broad systemic challenge. It is also concerning that a desire to find a quick fix for residential housing supply and affordability challenges will garner support for passing this unjust bill, and we urge your opposition to SB595.

DMOs are opposed to SB595 because it breaks the Legislature's promise to the hotel industry, which negotiated a statewide lodging tax in good faith based on reinvestment of local room taxes in destination marketing. Furthermore, under SB595, the hotel industry would be penalized for the impact of vacation rentals, which are direct competitors to hotels, for vacation rentals' impact on housing affordability.

Thank you for your consideration.

Rebecca Bond, Executive Director