



## **STATEMENT IN OPPOSITION TO SB595**

Chair Hass, Vice-Chair Bentz and honorable members of the Senate Committee on Finance and Revenue, my name is Alana Hughson, Managing Contractor for Oregon Destination Marketing Organizations (ODMO) Association. ODMO represents a membership of more than sixty tourism Destination Marketing Organizations from across Oregon in opposition to SB595.

My Oregon tourism path is typical of so many in our state. Four generations of my family reside in Oregon and every one of us have built lives in the tourism industry. My high school and college summers were spent working jobs from housekeeper and breakfast server; to gift shop clerk; reservations and front desk manager. Tourism jobs were the ideal opportunity to develop the experience, responsibility and work ethic as the foundation for my post-college, legislative career as a Congressional staffer.

Not surprisingly, Washington, D.C. can't compare to Oregon. So, after nearly ten years on Capitol Hill, it was tourism that brought me home to lead the Central Oregon Visitors Association (COVA) for twenty-five years. For Central Oregon, like many communities across the state, tourism was the industry to save the regional economy and workforce when the wood products industry declined. Tourism has now grown to be the single largest employer in Central Oregon, generating more than \$1.2 billion in total economic impacts for the region and employing nearly 15,000 local residents.

As an advocate for what tourism means to the entire state, in 2010 I was appointed by the Governor to the Oregon Tourism Commission, serving as Chair of the Commission from 2015-2017. Today, it is my privilege to represent the position of ODMO members from across Oregon.

- Destination Marketing Organizations (DMOs) are the local conduit to develop partnerships between the public sector, local businesses, Regional DMOs and Travel Oregon. It is the successful collaboration of these entities that increases economic activity and creates jobs in every corner of the state.
- DMO's focus on growing tourism during the shoulder seasons, not the peak summer months, to help ensure employers and employees can keep jobs, pay bills, and stabilize their incomes year-round.

- DMO's know that investing in tourism is so much more than 'Marketing and Promotion'. Tourism is a statewide eco-system; largely comprised of small, independent businesses who rely on their partnerships with local DMO's to have a voice in a highly competitive marketplace.
- DMO's directly reinvest their resources with local business partners like printers, sign makers, graphic designers, photographers, meeting planners, conference and event venues, fairgrounds, attractions, activities, hotels, transportation services, agriculture producers, restaurants, artists and tour companies. The business of tourism runs deep in communities across Oregon.
- ODMO opposes SB595 because it undermines the original intent of the current statute, which is intended to provide stable, local-level funding of tourism with a dedicated share of transient lodging tax.
- Current statute allows for critical local development of tourism-related projects like trails, visitor centers, arts and culture programs and event facilities. These are programs that enhance the quality of life for local residents as well as visitors.
- If the TLT investment in marketing and development is reduced, you will see a diminished economic return in local communities. Reducing the TLT investment is short sighted and will harm employment and local economies in every corner of the state, particularly in rural communities.
- We must learn from the devastating economic declines in destinations when tourism promotion is cut. In 1993, Colorado became the first state to eliminate its tourism marketing, cutting its \$12 million promotion budget to zero. As a result, Colorado's domestic market share plunged 30 percent within two years, representing a loss of more than \$1.4 billion in annual tourism revenue.

**ODMO opposes SB595** because it redirects grass-roots resources intended to support Oregon's local tourism programs. Please ensure that transient lodging tax resources remain directed to programs that have a proven and measurable impact for Oregon's hospitality workforce.

Thank you for the privilege to speak with you today.

*Respectfully submitted, to the Senate Committee on Finance and Revenue 3/19/2019: Alana Hughson, Managing Contractor, Oregon Destination Marketing Organizations: 61470 Tam McArthur Loop, Bend, OR 97702. (541) 480-3339*