

February 4, 2020

RE: OSCC Supports HB 4047

The Oregon State Chamber of Commerce (OSCC) represents 84 local Oregon chambers of commerce and the 27,000 local businesses that are chamber members in every corner of the state.

OSCC supports HB 4047. This bill would make permanent the 1.8% statewide lodging tax dedicated to tourism promotion. Many of our communities depend on tourism for their vitality and economic livelihood. The lodging tax is our primary vehicle for investing in tourism promotion in a highly competitive sector where states are competing hard for visitors.

OSCC is customarily resistant to added tax burdens on our families and businesses, but several factors weigh in support of HB 4047. (1) The statewide lodging tax leverages visitor dollars to attract tourists and their spending. Oregon has very few other options when it comes to capturing revenue from tourists. It is a strong business model. (2) The competition for visitor spending across the US is fierce. Many Oregon communities are reliant on visitor spending and the state's partnership in bringing in tourists is invaluable. (3) There is a tendency for successful state programs to be victims of their own success – they undergo "mission creep" or worse yet, see wholesale changes to the mission which made the program successful. OSCC believes that HB 4047 is necessary to prevent the lodging tax from being a funding mechanism for unrelated objectives.

Respectfully submitted,

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Vonnie Mikkelsen OSCC Chair

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JL Wilson OSCC Legislative Counsel

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