

March 3, 2020

Senate Committee on Finance and Revenue
Oregon State Legislature
900 Court St.
Salem, OR 97301

Re: Support for HB 4047

Honorable Chair Hass and Committee Members:

Good morning Chair Hass and committee members. My name is Scott Youngblood and I serve as the Chair of the Oregon Tourism Commission (OTC). I've been serving on the commission since 2016 and I work closely with Travel Oregon staff to review and approve the agency budget and strategic plan. For background, I've been in the lodging industry for more than 20 years and currently serve as the General Manager of the Embassy Suites by Hilton Portland Washington Square. In my role as General Manager, I understand the crucial economic impact the tourism industry has on businesses and local employment opportunities.

As the OTC Chair I have seen the impact that Travel Oregon's dollars have on local communities, particularly since 2016. The increase to the current 1.8% transient lodging tax, and establishment of regional allocation of funds and robust grant program, has allowed for investment in projects statewide – whether it's the Oregon Coast Trail or a historic theater in Baker City – these dollars have given local communities the opportunity to develop tourism products that drive year-round visitation. This has resulted in resilient communities and sustainable local economies in every corner of the state.

Travel Oregon has demonstrated clear returns on investment. For example, independent research shows that every dollar Travel Oregon spends in advertising and strategic marketing results in \$157 in direct tourism spending in communities throughout Oregon. That same dollar and spend by visitors translates into \$8 toward state and local tax revenue.

This program has a proven track record of success. Every single region of the state is benefiting from this statewide strategy. Tourism is one of the top three exports in rural communities throughout Oregon. More than 75 percent of the state lodging tax is paid by out-of-state visitors, allowing us to invest more to support local economic activity. If the sunset of this tax from 1.8% to 1.5% were to occur, this momentum would be decelerated to the detriment of communities throughout the state who depend on tourism for healthy diversified local economies.

A reduced tax rate would mean approximately \$6M a year would no longer be available to invest in strategic marketing, regional programs, and grant opportunities, thereby negatively impacting communities, both large and small, throughout the state.

This rate also allows for additional funding opportunities outside of general fund monies for projects that enhance community livability and attract tourism activity. Travel Oregon grants can help support world-class projects like the Salmonberry Trail, Willamette Locks, and the Warm Springs Commissary; projects that would otherwise be competing for state general fund money.

The good news is that Oregon's tourism industry is thriving. However, we must keep investing in the industry to maintain our competitive edge. I urge you to support this bill and ensure the state's transient lodging tax rate remains at 1.8%.

Sincerely,

Scott Youngblood
Chair, Oregon Tourism Commission