

Submitter: Jan Kaplan
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB3962

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House Committee on Revenue
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: Local Lodging Tax Flexibility

Dear Chair Nathanson and Committee Members,

NO WATER, NO TOURISTS

The City of Newport supports HB 3962-2. This bill will give our local governments the opportunity to determine how to allocate lodging taxes received from visitors based upon the unique needs of each jurisdiction. Under current statutory requirements and court interpretations existing definitions of tourism promotion and tourism-related facilities only leave local jurisdictions so much leeway to strategize tourism promotion and to pay the increased costs for public safety and community infrastructure created by tourists.

NO WATER, NO TOURISTS

The city of Newport has 11,000 residents who have to pay for the needs of an average daily population of 10-25,000 tourists. All those folks drink our water, flush our toilets, cook, take showers, wash their clothes.... you get the picture. Our sole water source, the Big Creek Dam is one of the two most dangerous and at-risk dams in the state. We are working desperately to put together the financing for a new dam that is projected to cost well over \$120 million. Under present TLT requirements we cannot use a penny of TLT revenues as part of that financing package.

NO WATER, NO TOURISTS

There is no one-size-fits-all approach for best use of TLT dollars. In many parts of the state more tourism promotion is an excellent strategy to increase local revenues. In the case of our coastal cities our greatest promotional assets don't cost very much- the Pacific Ocean and the beach. We are victims of our success- tourists disproportionately take up the time of our police, fire and emergency services. 11,000 residents pay for streets capable of handling the vehicles of an additional 20,000 people.

NO WATER, NO TOURISTS

TLT revenues could be an additional source of funding for the design, permitting and, eventually, construction of the replacement dam. Failure of the dam, which is inevitable, will likely result in the washing out of Highway 101. The disruption of traffic on the only north-south route between Newport and the north could take many months and even years to mitigate. The TLT dollars will never cover the full costs of dam design and replacement but would be a significant tool in the toolbox of a total financial package. (Please go to www.saveoursupplynewport.com for a model of the projected damage).

NO WATER, NO TOURISTS

HB 3962-2 wisely gives local government the ability to decide how much to allocate to tourism promotion, and how much to allocate for the services and infrastructure needed to support tourism. I urge you to support this very important legislation.

Respectfully,

Jan Kaplan, Mayor
City of Newport