



Chair Nathanson, Vice-Chairs Reschke and Walters, and Members of the Committee:

On behalf of the City of Central Point, I respectfully urge your support for HB 4148, which modernizes the distribution of local transient lodging tax (TLT) revenues to better reflect the interdependent relationship between tourism and the communities that host it.

From county fairs and festivals to outdoor recreation and cultural events, communities across the state welcome millions of visitors each year. Visitors that support local businesses, generate economic activity, and help our communities shine on a larger stage. However, behind that success is a growing strain on the public systems that make tourism possible.

Police, fire, public works, emergency response, traffic control, and sanitation services experience sharp spikes in demand during major events. Roads, parks, and public facilities see heavier use, and the cost of meeting these needs continues to rise.

Central Point is one small example of this dynamic. Our city is home to the Jackson County Expo, one of Southern Oregon's premier event venues. Each year, the Expo draws hundreds of thousands of visitors for concerts, expos and fairs. While these events bring significant economic benefit to the region, they also place a substantial burden on city infrastructure and public safety services.

As shared by Central Point Police Chief Scott Logue, during the 2024 Jackson County Fair, police calls for service increased by 14%, with supplemental staffing costs exceeding \$5,000. During our 2024 Fourth of July parade, which draws thousands of visitors, calls for service increased by 49%, with supplemental staffing costs exceeding \$9,000. These are not hypothetical impacts; they are real and recurring costs that must be absorbed by the city's general fund.

Under current state law, cities have limited flexibility in how they can use new or increased TLT revenues adopted after 2003. Although the TLT is a tax paid by visitors, 70% of post-2003 TLT revenues are statutorily required to be spent on tourism promotion, expenditures that primarily benefit hoteliers and short-term rental operators. Only 30% may be used by cities to address the direct impacts tourism places on local services and infrastructure.

This structure creates a disconnect: the revenues are generated by visitors, but our residents are left picking up the tab and our cities are constrained in their ability to reinvest those dollars into the services that visitors and residents alike rely on.



HB 4148 addresses this imbalance in a measured and responsible way. By adjusting the distribution for post-2003 TLTs to a 60/40 split, the bill protects tourism promotion by still requiring 40% of revenues to be dedicated to that purpose, while allowing 60% of the funds to be reinvested in the communities that bear the costs of tourism activity. This change would meaningfully increase cities' ability to fund essential services such as police, fire and emergency response, sanitation, and traffic control—services that are fundamental to both resident quality of life and visitor experience.

This bill is not a step away from tourism, it is a recognition that tourism depends on well-functioning public systems. Visitors expect safe streets, clean facilities, and responsive emergency services just as much as residents do.

The 70/30 TLT split was established more than twenty years ago, before today's tourism volumes, service demands, and fiscal realities. The world has changed, and our funding tools need to evolve with it. HB 4148 allows Oregon communities to better balance tourism promotion with community sustainability.

For these reasons, the City of Central Point respectfully urges your support for HB 4148.

Thank you for your time and consideration.

Sincerely,

Chris Clayton

City of Central Point, City Manager