



SENATE MAJORITY OFFICE

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Senate Democrats vote to use lodging tax increase to fund regional tourism

HB 4146 will fund regional development, grants for tourism efforts

SALEM – The Oregon Senate Democrats today passed a bill to generate greater revenue for regional and statewide tourism efforts benefitting Oregon communities.

House Bill 4146 – which passed the Senate on an 18-12 vote – increases the state transient lodging tax rate from the current 1 percent to 1.8 percent until the end of June 2020. In July 2021, the rate will be reduced to 1.5 percent.

“Numerous Oregon communities, often in rural areas, depend on tourism dollars to help support their economic viability,” said Sen. Chris Edwards (D-Eugene), who carried the bill in the Senate. “This bill provides more revenue for tourism promotion efforts and also gives greater flexibility for how those funds are invested to support tourism activities for the most benefit to communities around the state.”

In 2003, the Legislature designated the Oregon Tourism Commission as a stand-alone agency and established the current 1-percent transient lodging tax to fund the tourism commission. Current law requires the Oregon Tourism Commission to spend at least 80 percent of those net tax receipts on state tourism marketing programs and allocates up to 15 percent of net receipts to regional tourism marketing programs.

Under HB 4146, 20 percent of revenues will be allocated to regional development and 10 percent to a matching grant fund for local tourism programs. It also requires reports to the Legislature and establishes a study group led by the Legislative Revenue Office.

The 0.8-percent increase included in HB 4146 is estimated to raise an additional \$27 million for the Oregon Tourism Commission over the 2017-19 biennium. These additional funds will benefit tourism destinations across the state such as the Columbia River Gorge, Central Oregon and the Oregon Coast. It also could contribute significantly to the preparation for the 2021 IAAF World Championships in Eugene – which will be the first time the events will be held in an American city.

“This bill allows towns throughout the state – including communities in my district up and down the coast – to pay for overtime for police and other services from all the tourists coming through their towns. It also can help a community potentially build a convention center to help increase tourism, if that’s what is needed,” said Sen. Arnie Roblan (D-Coos Bay). “It also will benefit my town, Coos Bay, as there are numerous track athletes around the state, nation and world who visit because it’s the home town of running legend Steve Prefontaine. The Track Town event will bring thousands of track fans to Eugene, who will travel around the region. So that event will benefit not just Eugene, but other communities in the state.”

HB 4146 now goes to Gov. Kate Brown for signature.

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