

Transient Lodging Tax

State Overview

History

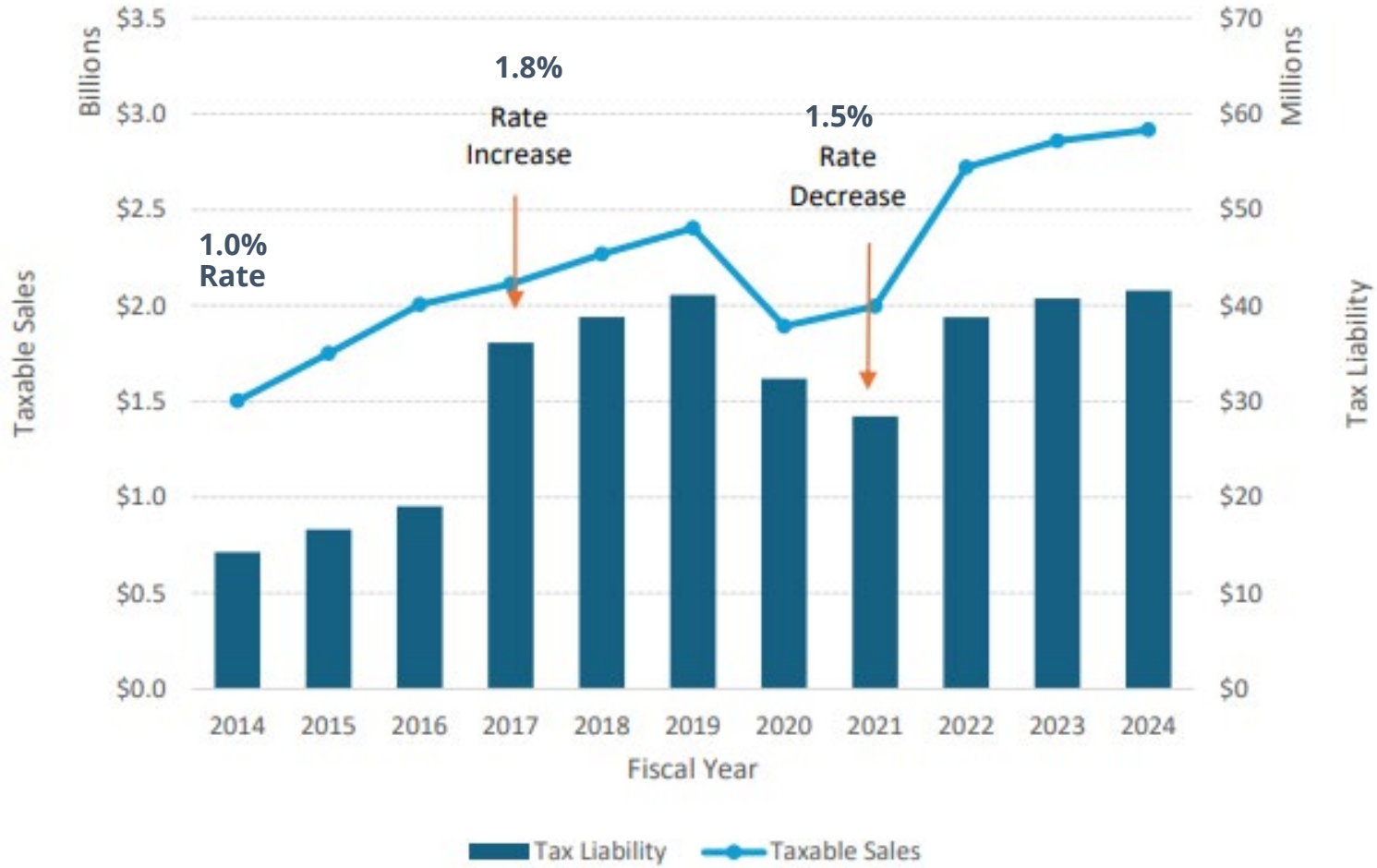
Legislative Update

Tourism Promotion Allocations



State Transient Lodging Tax

State Lodging Tax – Sales and Liability



State TLT Rates:
 1/2004 – 1.0%
 7/2016 – 1.8%
 7/2020 – 1.5%
 1/2027 – 2.75%



State Lodging Tax Tourism Regions

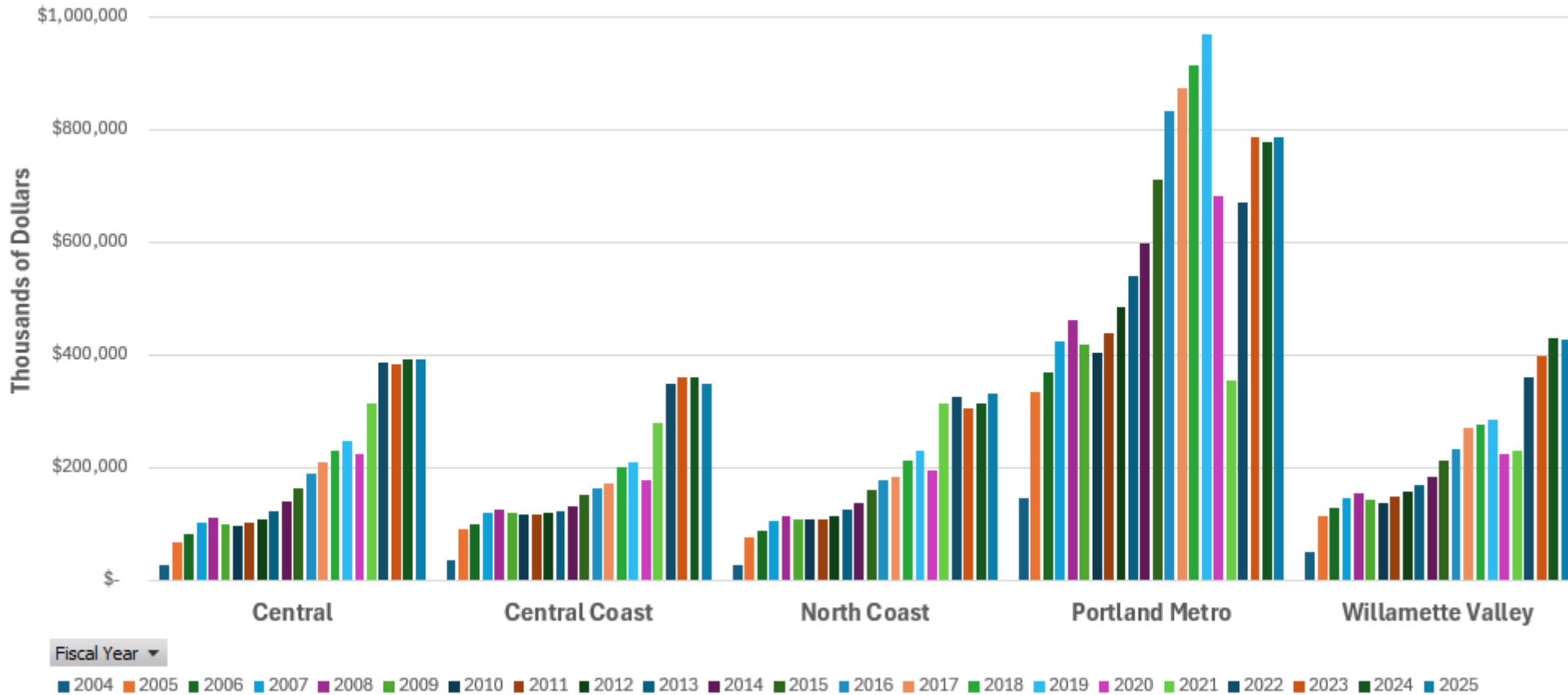


1. North Coast
2. Central Coast
3. South Coast
4. Willamette Valley
5. Portland Metro
6. Southern
7. Central
8. Mt. Hood/ Gorge
9. Northeastern
10. Southeastern



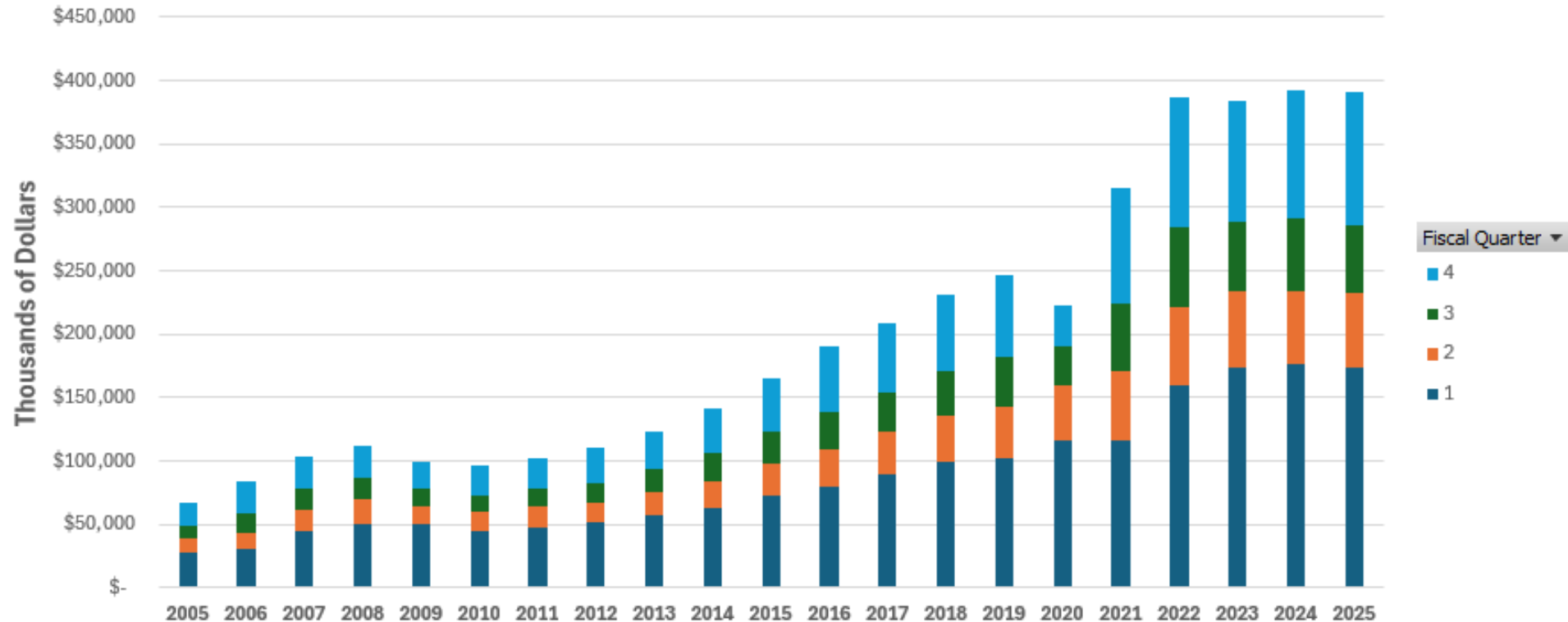
State Lodging Tax – Top Five Regions

Taxable Sales By Fiscal Year (2004 – 2025)



State Lodging Tax – Central Region

Taxable Sales by Fiscal Year (2005 – 2025)



Deschutes County TLT Measures

Measure: November 4, 1975 - 5%

Submitted By Deschutes County Commission To Permit A Levy Of A Transient Occupant Tax

Measure

Shall Deschutes County levy a tax upon transient occupants of hotels, motels, condominiums and similar type accommodations, at the rate of 5% of the rent charged by the operator of such accommodation?

Results



54%

Cumulative Rate 5%

Limitations

100% Discretionary

No limitation or mandatory allocation.

Effective
December 1, 1975



Measure: June 24, 1980 - 1%

Increase In County Transient Room Tax

Measure

Should Deschutes County Ordinance 203.3 be amended to raise the existing transient room tax from 5 percent to 6 percent?

The increased rate is needed to promote tourism and pay for public services to persons the County generally does not tax otherwise.

Results



52%

Cumulative Rate 6%

Limitations

This additional 1% must be used to promote tourism and fund general County services that are primarily utilized by tourists.

Effective
July 1, 1980



Measure 9-2: November 3, 1987 - 1%

Increase In Deschutes County Transient Room Tax

Measure

Shall the County Code be amended to increase the transient room tax outside cities to 7% beginning January 1, 1988?

Revenues from the transient room tax, paid by these renters, have been used to promote tourism and partially pay for County services also used by County visitors. The increased revenues will be used to pay for the construction of a welcome center complex and promote tourism.

Results



63%

Cumulative Rate 7%

Limitations

This additional 1% must be used exclusively to promote tourism.

Effective
January 1, 1988



Measure 9-61: November 4, 2008 - 1%

Increase In Deschutes County Transient Room Tax

Measure

Shall County Code be amended to increase transient room tax to 8% beginning September 1, 2009, and 9% September 1, 2010?

Results



55%

Limitations

N/A



Measure 9-96: November 5, 2013 - 1%

Increase In Deschutes County Transient Room Tax by 1%

Measure

Shall County Code be amended to increase transient room tax outside of cities to 8% beginning July 1, 2014?

70% of the revenue from this tax increase would be used to promote tourism through the Deschutes County Fair & Expo Center; 30% is available to fund other county services such as public safety, health and human services and county infrastructure.

Results



61%

Cumulative Rate 8%

Limitations

This additional 1% must be allocated 70% to promote tourism at DC Fair & Expo; the remaining 30% is available to fund other county services such as public safety, health and human services and county infrastructure.

Effective
July 1, 2014



TLT Approved Ballot Measures Summary

1975 – 5%

- 100% discretionary (\$8M)

1980 - 1%

- Promote tourism and pay for public services to persons the County generally does not tax otherwise (\$1.6M)

1987 - 1%

- 100% tourism - To promote tourism and to pay for the construction of a welcome center complex (\$1.6M)

2013 - 1%

- 70% to promote tourism at Deschutes County Fair & Expo, 30% is available to fund other county services (\$1.6M)

Total – 8%

- (\$12.8M – Gross receipts, distribution net of costs)

HB 2267
(2003)



House Bill 2267 (2003)



70/30 Rule

For new or increased local taxes, a minimum of 70% of net revenue must fund tourism promotion or tourism-related facilities



Maximum 30% for Local Use

A maximum of 30% of new or increased local tax revenue can be used for other local government purposes, such as general funds



Grandfather Clause

Local taxes in place on or before July 1, 2003, were exempt from the 70/30 requirement, but could not reduce their pre-existing percentage of tourism spending



TLT Historical Spending Levels

First 6% (1975,1980)

- 20% to VCO
- 80% to General County Operations (Discretionary)

Next 1% (1988)

- 100% to VCO

Pre-2003

	Pre 2003
	Original 7%
TRT Collections	3,016,819
Tourism Promotion	
COVA	863,962
Tourism Facilities	
Welcome Center Debt Svc	77,000
Fair & Expo, Fair, RV Park	
Total Tourism	940,962
<i>As a percent of collections</i>	31%
General County Purposes	
Sheriff	2,061,238
Other	
Admin	14,619
Unallocated	
F&E Capital Reserve	
Total General Purposes	2,075,857
<i>As a percent of collections</i>	69%

6% tax X .20 VCO = 1.2% + 1% tax = 2.2%
 2.2% / 7% = 31% Historical Tourism Spending



Visit Central Oregon Contract

Visit Central Oregon Contract



Term

Effective May 2014. Automatically renews each year. May terminate with 12-month notice. No less than 30 days prior to FY, County must notify VCO of reduction in funding. 90 days notice if there is a reduction in proposed budget.



Funding Levels

Funds consistent with historic level of funding, 20% of net tax revenues of the first 6% (1975 & 1980), and 100% of net revenues of next 1% (1987).

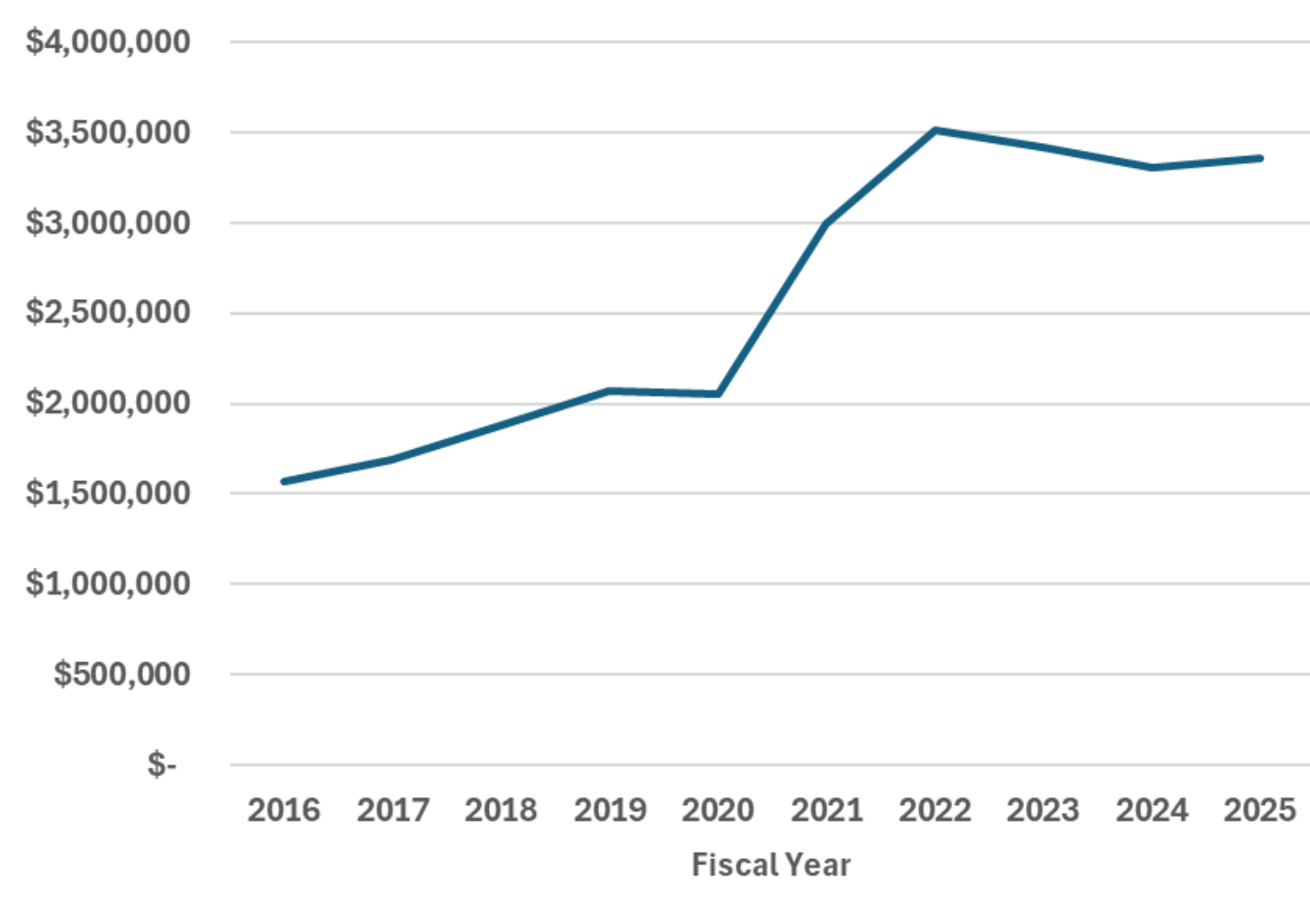


Requirements

As part of the annual budget hearings, VCO will submit a proposed annual marketing plan and annual budget. Report on performance of effectiveness of the marketing plan.



County Funding to VCO



Oregon Legislature 2026 Short Session

HB 4148 (2026)

- Effective January 1, 2027
- 50/50 split
- The percentage changes may also be used by local governments who had local Transient Lodging Taxes in place on or before July 1, 2003; allows a decrease in percentage regardless of when the percentage went into effect
- Allows for funding city or county services, whether emergency or nonemergency services, provided directly by the city or county or by a special district in lieu of the city or county
- Allows revenue used for tourism or tourism-related facilities to also fund resiliency grants for small businesses in the restaurant and lodging industries
- Reporting requirements with the Legislative Revenue Office no later than September 1 of odd-numbered years beginning in 2027



Definitions



Tourism Promotion

(a) Advertising, publicizing or distributing information for the purpose of attracting and welcoming tourists; (b) Conducting strategic planning and research necessary to stimulate future tourism development; (c) Operating tourism promotion agencies; and (d) Marketing special events and festivals designed to attract tourists.



Tourism-Related Facility

(a) A conference center, convention center or visitor information center; and (b) Other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.



Tourism Promotion Agency

(a) An incorporated nonprofit organization or governmental unit that is responsible for the tourism promotion of a destination on a year-round basis. (b) A nonprofit entity that manages tourism-related economic development plans, programs and projects. (c) A regional or statewide association that represents entities that rely on tourism-related business for more than 50 percent of their total income.



Definitions



Tourist

A person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person's community of residence, and that trip: (a) Requires the person to travel more than 50 miles from the community of residence; or (b) Includes an overnight stay.



Tourism

Economic activity resulting from tourists.



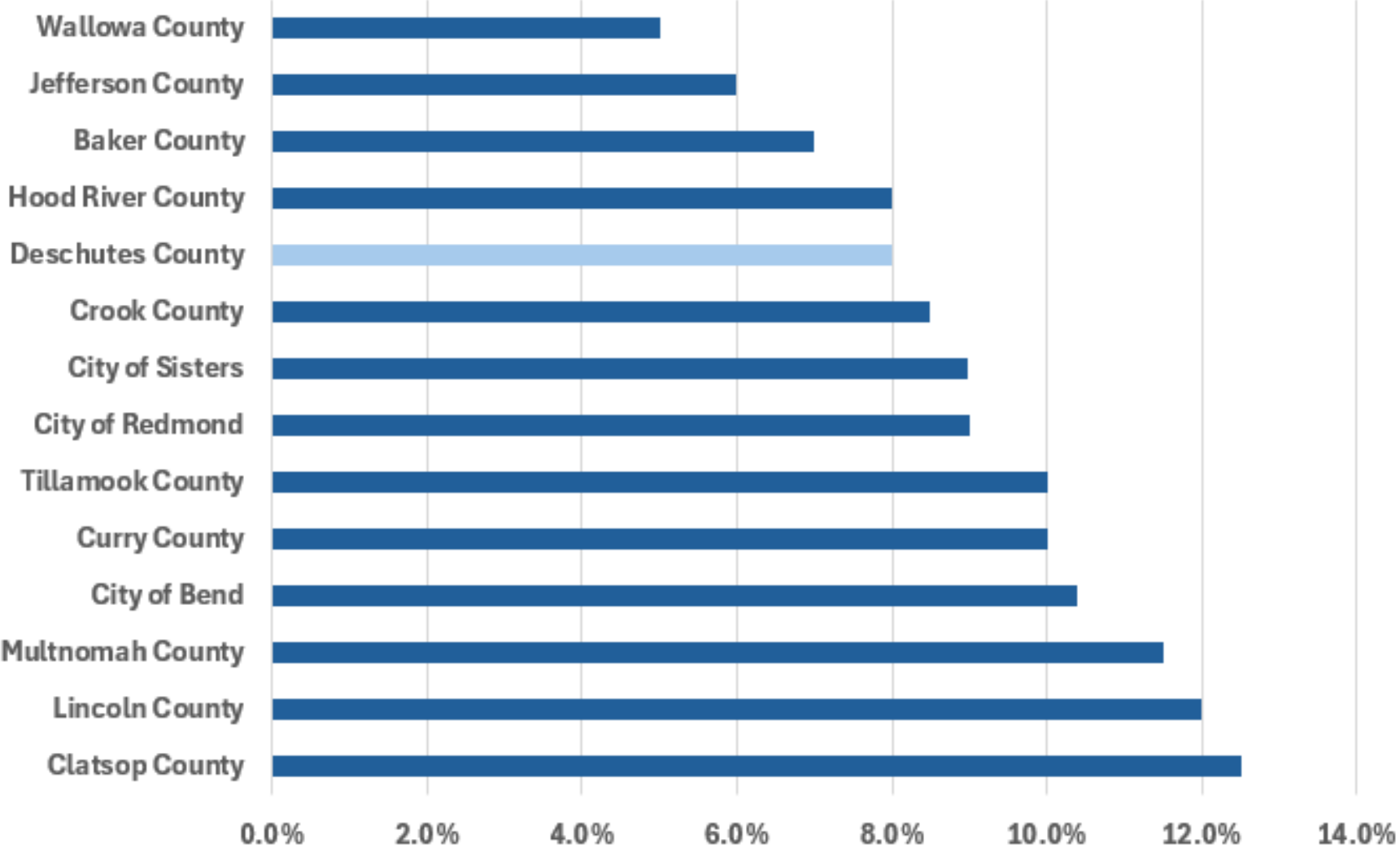
Local Transient Lodging Tax

A tax imposed by a unit of local government on the sale, service or furnishing of transient lodging.

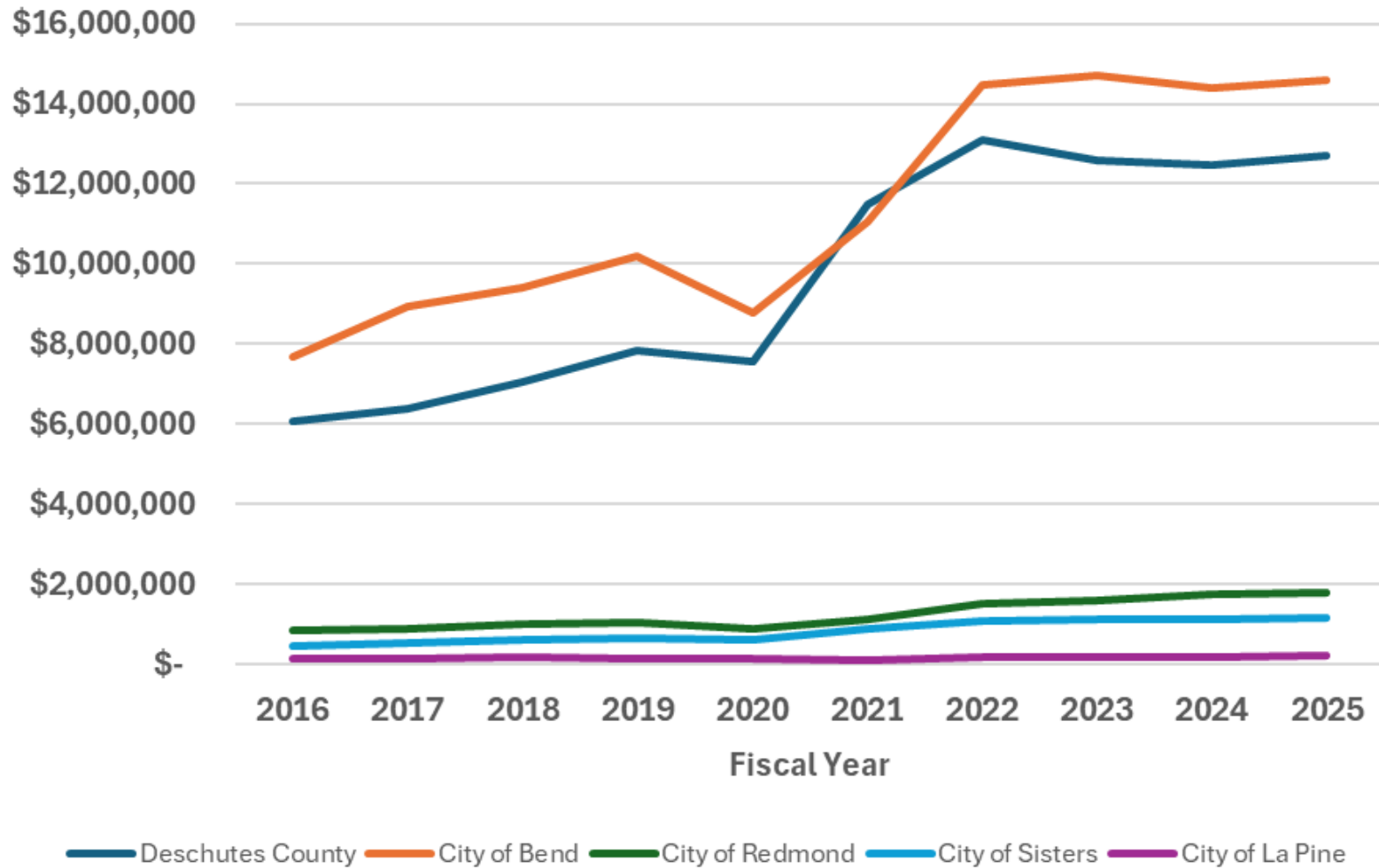


Transient Lodging Tax Rates, Collections and Allocations

Transient Lodging Tax Rates



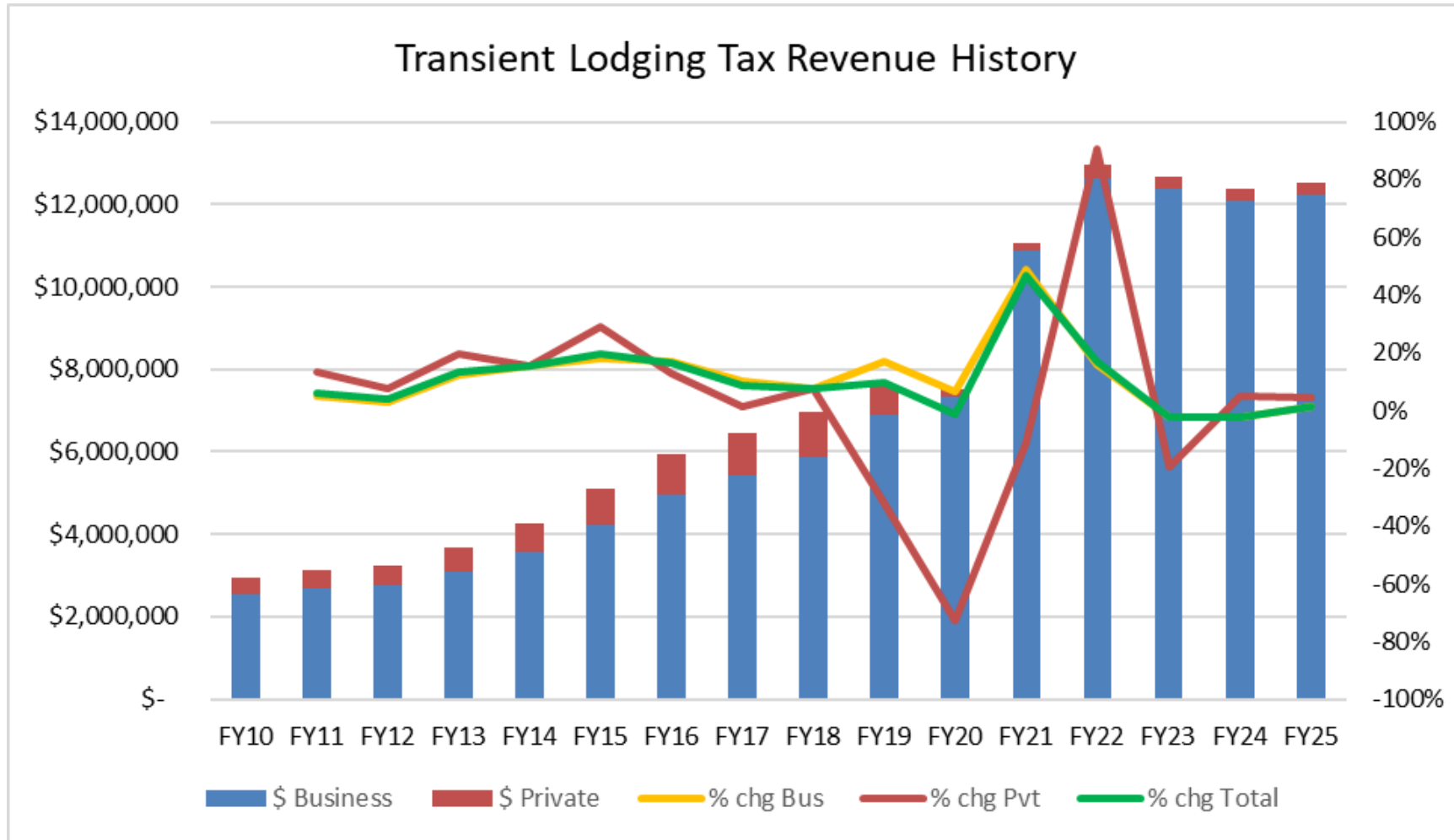
Local Area TLT Collections



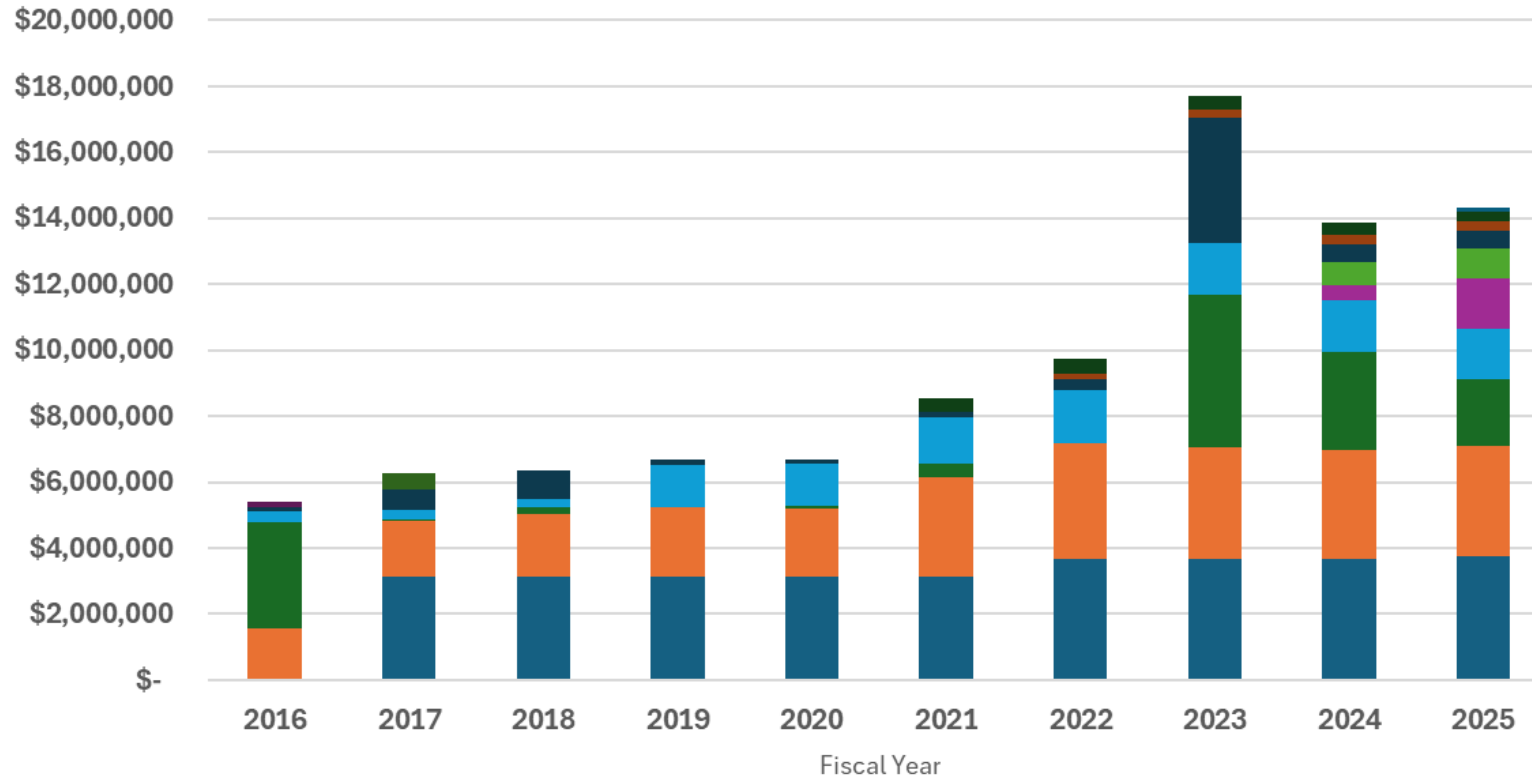
Source: VCO/Industry/TRT Collections Report



Deschutes County TLT Revenue



County TLT Allocations



- Sheriff's Office
- Fair & Expo Center
- Administration
- Community Development
- Visit Central Oregon
- Courthouse Debt Servcie
- Justice Court
- Economic Development Fund
- Grants
- General County Reserve
- Environmental Health
- Miscellaneous

FY 2026 TLT Budgeted Expenditures	
Sherrif's Office	\$ 3,651,787
Visit Central Oregon	\$ 3,462,934
Fair & Expo Center	\$ 1,522,231
Courthouse Debt Servcie	\$ 1,503,250
General County Reserve	\$ 1,049,811
Administration	\$ 481,894
Justice Court	\$ 400,521
Environmental Health	\$ 376,572
Total	\$12,449,000

Grants

Sunriver Service District
 FY 2025 - \$2,000,000
 FY 2024 - \$2,000,000
 FY 2023 - \$4,000,000

Mt. Bachelor
 FY 2024 - \$1,000,000

Discover Your Northwest
 FY 2023 - \$600,000



Questions and Discussion

Thank you

