Local Transient Lodging Tax:
Expenditures and Administration

February 2020

Final Report

Prepared for: Travel Oregon

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ECONOMICS · FINANCE · PLANNING

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1. Introduction and Methodology

The State of Oregon enables municipalities to charge a transient lodging tax on hotels, bed-and-breakfasts, motels, campgrounds, vacation rental operators, and other facilities that provide lodging on a transient basis. To better understand the overall economic impacts of the local transient lodging tax (TLT), this study examined *how* local jurisdictions use the TLT revenue they generate, as well as how they impose their TLT.

This study is a follow up to the 2008 *Local Transient Lodging Tax Survey* conducted by ECONorthwest for the Oregon Tourism Commission (dba Travel Oregon). The 2008 study examined the impact that 2003 legislation (codified in ORS 320.300 to 320.350) had on TLT rates, revenues, and expenditures.[1] It also examined how local governments use transient lodging tax revenues. Using findings from the 2008 study and this 2019 study, this report offers a comparative analysis of the ways in which jurisdictions use their TLT revenues today compared to a decade ago.

This analysis looks at cities and counties that levy a TLT. Where possible, this report organizes data for TLT cities and counties by Oregon's seven tourism regions. Travel Oregon's description for each region is copied below, and regions are displayed spatially in Exhibit 1.[2]

- **Central:** A high-desert playground for everything under the sun—skiing, hiking, climbing, cycling, fishing, rafting, golf—and in the shade too.
- **Coast:** 363 miles of stunning public coastline—the stuff dreams are made of—dotted with lighthouses, fishing villages, and dramatic scenery.
- **Eastern:** Vast landscapes where history and adventure collide—along canyons, twisting rivers, alpine wilderness, and lonesome ghost towns.
- **Mt. Hood and Columbia River Gorge:** An outdoor wonderland home to a tremendous river gorge, scenic vistas, gushing waterfalls, and the state's highest peak.
- **Portland Region:** A bustling urban core famous for its maker culture and communities ringed by forests and farms, rivers, and rolling hills.
- **Southern:** An ethos of arts and culture thriving in a land known for its wild rivers, deep caves, and the awe-inspiring Crater Lake.
- **Willamette Valley:** Woodsy cityscapes cradled by vineyards, forests and farms, inspiring crafters, adventurers, and everyone in between.

[1] In 2003, the state of Oregon changed the statutes governing levying, collecting, and using transient lodging tax receipts. A primary reason for these changes was to ensure that jurisdictions used their TLT receipts, in part to fund tourism and tourism-related activities.

[2] More information about Travel Oregon's tourism regions: https://traveloregon.com/places-to-go/regions/

Exhibit 1. Oregon Tourism Regions, 2019

Source: ECONorthwest, using shapefiles from Travel Oregon.

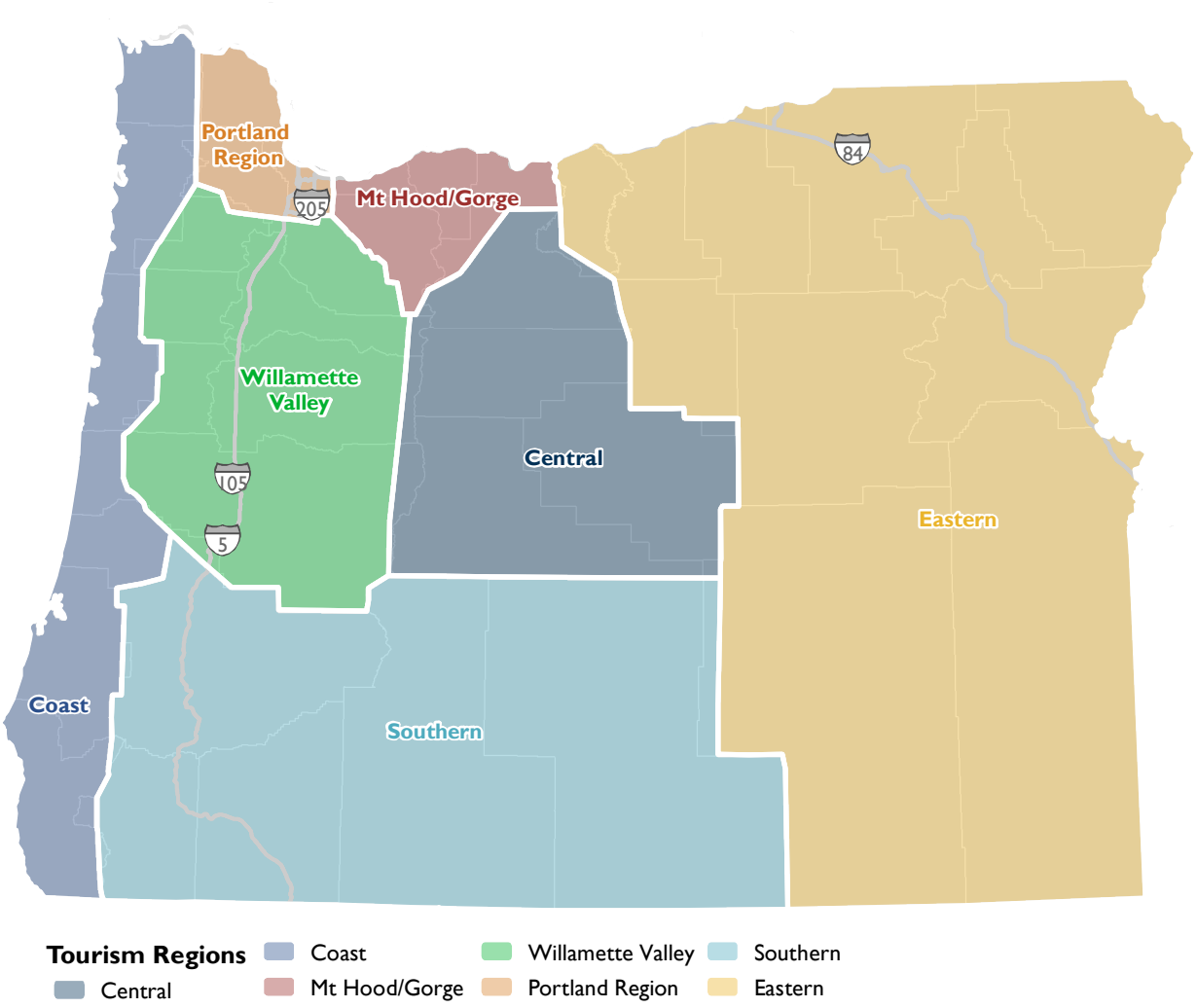
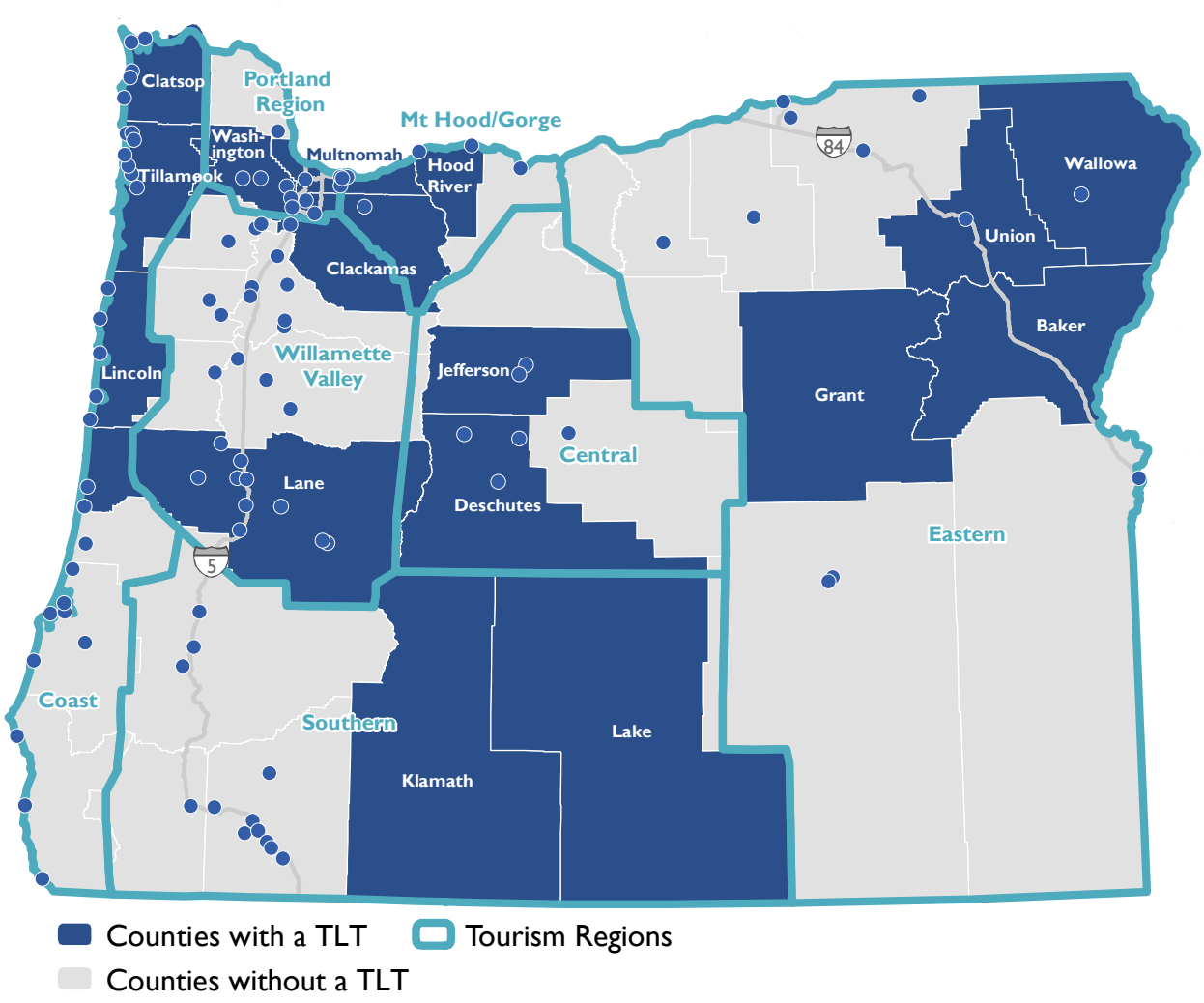


Exhibit 2. Cities and Counties that Levy a Transient Lodging Tax, by Tourism Region, 2018

Source: ECONorthwest, using data from Dean Runyan Associates.



Note: Cities without a TLT are not delineated on this map.

Methods

The analysis of TLT expenditures had three main steps: (1) conduct topical research and develop interview questions; (2) interview the jurisdictions which currently levy a TLT; and (3) analyze and summarize findings.

Research and Interview Questions

ECONorthwest started the project by conducting the following initial research:

- **Review statutes governing TLT.** ECONorthwest reviewed changes in legislation regarding TLTs in Oregon to determine what, if anything, changed statutorily since 2008 (when ECONorthwest conducted the initial study).[3] To summarize findings at a high-level:
  - In 2013, HB 2656 passed, expanding the list of who must collect and pay TLTs. The bill requires lodging providers and intermediaries (e.g. online platforms such as Airbnb, etc.) to collect and remit TLT whenever the tax is imposed by the jurisdiction where the lodging is located.[4]
  - In 2016, HB 4146 passed, affecting the State's TLT guidelines. As a result, Oregon's TLT rate increased from 1% to 1.8% (in July 2016 through July 2020). After July 2020, the State TLT rate will decrease to 1.5%.[5] This bill also affected the State's processes for evaluating TLT revenue requests and how the state could use its TLT revenue.[6] It did not, however, affect local TLT rates, administration, or use of local TLT revenue.
  - In 2017, HB 2400 passed, authorizing any state agency or department to enter into agreements with a political subdivision for the collection, enforcement, administration, and distribution of local TLTs.
  - In 2017, HB 3180 passed, enabling the Department of Revenue (DOR) and units of local government to request disclosure of "confidential information" to one another.
  - In 2018, HB 4120 passed, changing the definition of a "transient lodging intermediary" and clarifying intermediaries' responsibility for TLT collections. HB

[3] Note: A summary of 2003 legislative changes are described in more detail in Chapter 2: Restrictions on spending TLT revenues.

[4] Per ORS 320.310: Every transient lodging tax collector shall keep records, render statements and comply with rules adopted by the Department of Revenue with respect to the tax imposed under ORS 320.305. The records and statements required by this section must be sufficient to show whether there is a tax liability under ORS 320.305. https://www.oregonlegislature.gov/bills_laws/ors/ors320.html

[5] For more information: https://industry.traveloregon.com/resources/tourism-in-oregon/lodging-tax/

[6] Per ORS 284.131 (4): The commission shall spend state transient lodging tax moneys appropriated to the commission under ORS 320.335 as follows: (a) At least 65 percent must be used to fund state tourism programs. (b) Ten percent must be used for a competitive grant program for projects that further the purpose described in ORS 284.138, which may include tourism-related facilities and tourism-generating events, including sporting events. (c) Twenty percent must be used to implement a regional cooperative tourism program. https://www.oregonlegislature.gov/bills_laws/ors/ors284.html

4120 added clarifying language around transient lodging owners' liability for tax delinquencies. In addition, the bill added language that a local TLT must be computed on *the total retail price* paid by a person occupying transient lodging.

  - In 2019, HB 3136 passed, requiring the DOR to collect local TLT revenues at the local level, rather than the regional level.
  - In 2019, HB 3137 passed, providing that the TLT becomes due when occupancy of transient lodging ends.
  - In 2019, HB 3138 passed, clarifying exemption language. In that, the state TLT exemption for dwelling units occupied fewer than 30 days per year does not apply to dwelling units that are rented out on a transient lodging intermediary platform. For example, properties rented on the AirBnB home-sharing platform would not be exempt from the state TLT.

- **Review existing information about TLT revenues.** Dean Runyan Associates,[7] a firm which tracks Oregon's travel and tourism industry and provides research reports for Travel Oregon, assisted in providing data on (1) which jurisdictions currently levy a TLT in Oregon; (2) who, at each municipality, was an appropriate first contact to discuss their local TLT program; and (3) historical tax rate and receipts for TLT jurisdictions.[8] ECONorthwest reviewed this information and used it to inform the analysis.

After this research, ECONorthwest developed the 2019 interview questions to collect the following information from each jurisdiction with a TLT:

- Total, actual jurisdiction-wide expenditures (inclusive of all government funds spent) and TLT expenditures in the 2017–2018 fiscal year.
- Administrative details of the jurisdictions' local TLT programs.
- Activities funded by TLT revenue, including the amount funded and a description of the programs, facilities, services, and activities paid for with local TLT revenues.

ECONorthwest presents the interview questions, used to collect the information presented in this report, in Appendix A.

Interviews

ECONorthwest attempted to gather information about TLT expenditures and administrative practices in each of the 120 jurisdictions that levy a TLT via phone interviews.

In the 2008 study, ECONorthwest attempted to collect information through an online survey. The 2008 study shed light on the complexity of taxing jurisdictions' collection procedures for TLT and the nuances among TLT expenditures. In most jurisdictions, multiple people were

[7] Dean Runyan Associates developed the report "Oregon Travel Impacts: 1991 – 2018," for Travel Oregon.

[8] Dean Runyan Associates tracks transient lodging tax receipts on an annual basis for all jurisdictions in Oregon.

responsible for tracking TLT revenues and expenditures. An online survey was a limiting factor to the 2008 study because respondents were not able to re-visit their survey to update inputs.

To alleviate the 2008 limitations, in the 2019 study ECONorthwest conducted interviews, asking the interview questions to one or more staff of each TLT jurisdiction, as participants had availability. ECONorthwest recorded interview responses using the online platform Survey Monkey. Survey Monkey has a data entry mode which allowed ECONorthwest to add and update survey inputs over time.

ECONorthwest followed this process to contact and interview staff at each jurisdiction with a TLT:

- The League of Oregon Cities assisted Travel Oregon by using their weekly newsletter to inform jurisdictions that ECONorthwest would be reaching out to conduct a study on local TLTs. The newsletter article explained that ECONorthwest would reach out to individual jurisdictions to schedule a 30-minute phone interview to discuss their TLT programs.
- To initiate interviews, ECONorthwest sent emails to all TLT jurisdictions, describing the project, outlining the type of questions that would be asked, and requesting a 30-minute interview.
- ECONorthwest attempted to contact all TLT jurisdictions four to five times, using email and phone calls/voicemail, and talking to multiple staff, as needed.
- Some jurisdictions were non-responsive. After ECONorthwest made three contact attempts to individual jurisdictions, Travel Oregon encouraged participation by reaching out to jurisdictions and regional tourism partners directly, to describe the value of the study.

Analysis and Summary

ECONorthwest analyzed and summarized the 2019 interview findings, focusing on *how* jurisdictions spent their local TLT revenues (i.e. their expenditures). The analysis is similar to the analysis in the 2008 study as results are summarized by jurisdiction and tourism region. This report adds additional information about expenditures for general services and other types of expenditures, beyond the data available in the 2008 study.

Limitations

The 2019 study alleviated some of the 2008 study limitations by collecting information via interviews rather than an online survey. The online survey presented challenges in that respondents could not come back to their survey to enter information over time. It was also difficult to touch base with survey respondents after they submitted their survey to ask follow-up and clarifying questions.

The interview format worked well in that it established a personal connection between interviewer and interviewee. The interviews allowed ECONorthwest to ask clarifying questions in real time and established a relationship to allow ECONorthwest to send follow-up emails (inquiring about specific questions that respondent could not answer over the phone) with more success.

While every TLT jurisdiction did not participate in an interview, ECONorthwest still obtained a high participation rate using the methods described above. In the 2017–2018 fiscal year, 120 jurisdictions had a local TLT, generating about $210 million of TLT revenue. Of the 120 TLT jurisdictions, 101 participated in an interview (84%), accounting for 97% of the total TLT revenues from the 2017–2018 fiscal year ($204.3 million of $210 million).

From a strict statistical standpoint, one would expect the results to be highly valid. Using standard margin of error formulas, an 84% response rate would result in a margin of error of ±4% at a 95% confidence interval. That calculation, however, assumes the population is relatively homogenous and that the distribution of responses is "normal" (e.g., it follows a typical bell curve). The sample population, however, shows considerable variation in many of the variables collected. Nonetheless, the fact that the sample includes 97% of all TLT revenue in the 2017–2018 fiscal year suggests that the sample should be highly representative of the entire population.

Finding information about TLT expenditures from jurisdictional staff presented challenges. The information gathered through interview questions were not completely comprehensive for a variety of reasons. The limitations of the interviews were:

- **Different revenue aggregation and distribution methods.** While collection of local TLT is generally done by lodging operators, the aggregation and distribution of revenues occurs at multiple jurisdictional levels. In some areas the TLT is levied by the county, who aggregates and distributes the revenues to the appropriate cities. In some instances, one jurisdiction may aggregate the revenues collected by operators on behalf of other jurisdictions. In other cases, both county and city municipalities aggregate their own TLT.
- **Partial responses.** Some jurisdictions could not answer all interview questions. Questions most difficult to answer were: (1) What year did the jurisdiction first impose the local transient lodging tax? (2) If the jurisdiction's TLT rate had changed since 2003, what was the previous rate and what was the date of change? (3) Does the jurisdiction retain an administrative fee for collection and administration of TLT (and if yes, how much is retained (in dollars))?
- **Non-responses.** About 16% of jurisdictions with a local TLT did not participate in an interview. However, these jurisdictions accounted for 3% of TLT revenue collected in Oregon by jurisdictions in the 2017–2018 fiscal year. Non-responses do not present a substantial limitation to the interviews because the overwhelming majority of TLT revenues was accounted for by interview participants.

- **Assuming accuracy.** ECONorthwest did not audit the responses of interviewees for compliance with existing legislation or consistency with jurisdictions' budgets. While some jurisdictions provided financial reports and budgetary details, ECONorthwest relied on jurisdictions to report information accurately—and ECONorthwest assumed their statements were correct. In limited circumstances, if jurisdictions did not know total jurisdiction-wide expenditures, ECONorthwest looked up budgetary details (if the jurisdiction published their budgets online). It is additionally possible that some jurisdictions' responses were best guesses.

Interview Responses

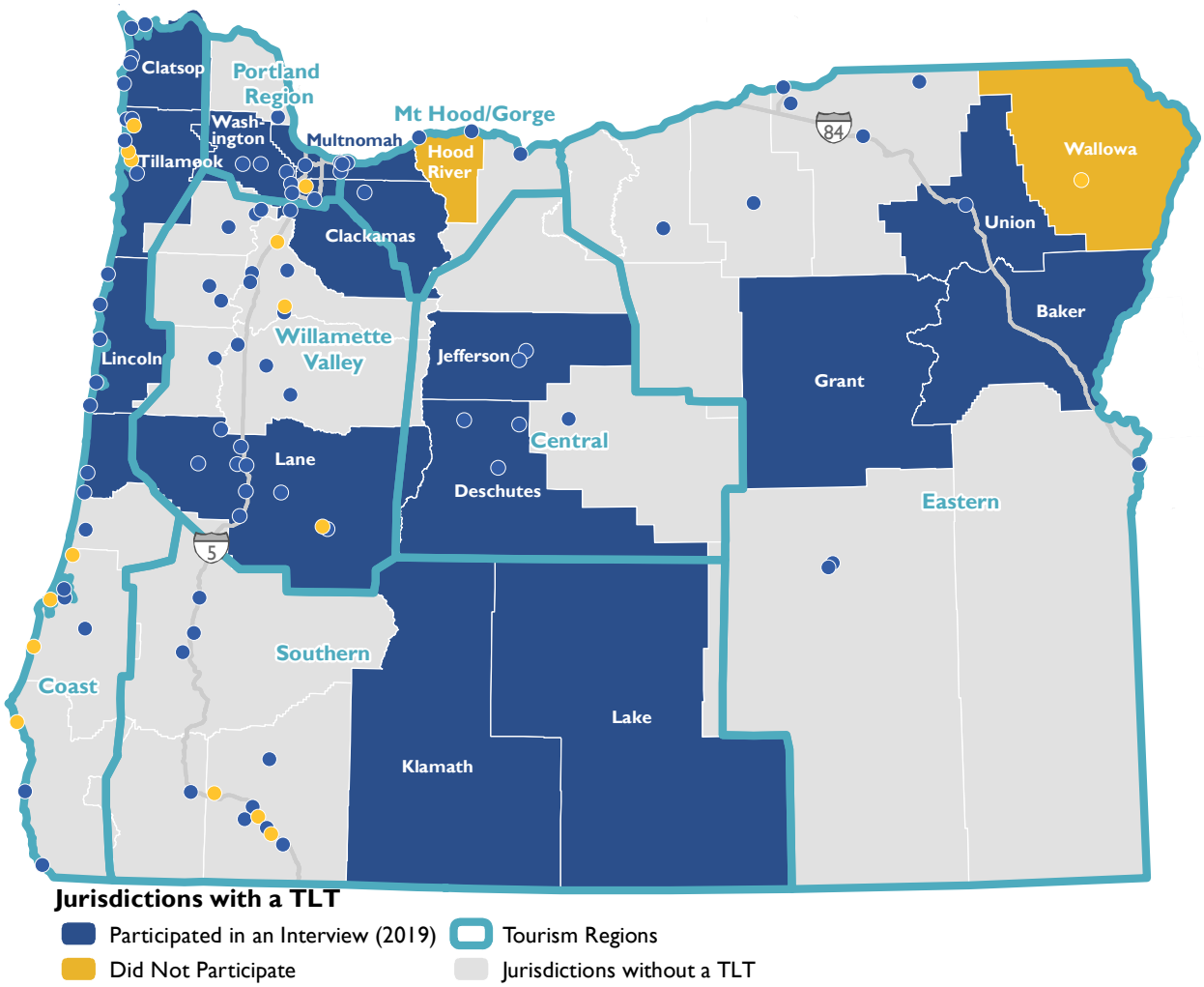
In the 2017–2018 fiscal year, 120 jurisdictions had a local TLT, with total TLT revenues of $210.3 million. One hundred and one of these jurisdictions (84%) participated in an interview, accounting for 97% ($204.3 million) of TLT revenue collected by jurisdictions in the 2017–2018 fiscal year.

Exhibit 3 spatially displays the jurisdictions that participated in an interview and Exhibit 4 presents an alphabetical list of jurisdictions that did/did not participate. Jurisdictions that opted not to participate were not addressed in this study.

The response rate of the interviews can be thought of in two ways: (1) the percentage of jurisdictions that responded (i.e. 84%) and (2) the percentage of TLT revenue by responding jurisdictions (see Exhibit 5).

Exhibit 3. Jurisdictions that Participated in an Interview, by Tourism Region, 2018

Source: ECONorthwest, using TLT jurisdiction data from Dean Runyan Associates and the *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.[9]



[9] TLT survey data from 2019 is sourced as: *Local Transient Lodging Tax: Expenditures and Administration* report (2019), ECONorthwest.

Exhibit 4. Jurisdictions that Levy TLT in Oregon, by Interview Participation Status[10], 2019

Source: The *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Interview Participation Status (2019)		
Did Participate in a TLT Interview		
Albany	Hermiston	Redmond
Ashland	Hillsboro	Reedsport
Astoria	Hines	Rockaway Beach
Baker County	Hood River	Roseburg
Beaverton	Jacksonville	Salem
Bend	Jefferson County	Sandy
Brookings	Junction City	Scappoose
Burns	Keizer	Seaside
Cannon Beach	Klamath County	Shady Cove
Cascade Locks	La Grande	Silverton
Central Point	Lake County	Sisters
Clackamas County	Lane County	Springfield
Clatsop County	Lebanon	Stayton
Coburg	Lincoln County	StHelens
Condon	Lincoln City	Sutherlin
Coos Bay	Lowell	Sweet Home
Corvallis	Madras	The Dalles
Cottage Grove	Manzanita	Tigard
Creswell	McMinnville	Tillamook
Dallas	Metolius	Tillamook County
Depoe Bay	Milton-Freewater	Troutdale
Deschutes County	Monmouth	Tualatin
Dundee	Multnomah County	Umatilla
Dunes City	Nehalem	Union County
Eugene	Newberg	Veneta
Fairview	Newport	Waldport
Florence	North Bend	Warrenton
Forest Grove	Oakridge	Washington County
Gearhart	Ontario	Wilsonville
Gold Beach	Oregon City	Winston
Grant County	Pendleton	Wood Village
Grants Pass	Phoenix	Yachats
Gresham	Portland	
Heppner	Prineville	
Did Not Participate in a TLT Interview		
Bandon	Lakeside	Town of Lakeview
Bay City	McKenzie	Wallowa County
Coquille Indian Tribe	Medford	Westfir
Enterprise	Port Orford	Wheeler
Garibaldi	Rogue River	Woodburn
Hood River County	Sublimity	
Lake Oswego	Talent	

[10] The City of Sherwood implemented a TLT in June of 2018. Because this analysis evaluated data for Fiscal Year 2017-2018, ECONorthwest did not ask the City of Sherwood to participate in an interview.

Exhibit 5 groups respondents by share of local TLT revenue to show that, while not all jurisdictions participated in an interview, the jurisdictions that *did* respond represented a large share of the total, local TLT revenue received in fiscal year 2017–2018. Ninety-three percent of the jurisdictions that accounted for 90% of total TLT revenue participated in an interview. This point is key because this study addresses the impacts of TLT dollars *spent*. While the study cannot account for how a share of the local TLT revenue is spent, the analysis is still comprehensive.

Exhibit 5. Interview Responses for all Jurisdictions with TLT Revenues, 2018

Source: ECONorthwest, using revenue data from using data from Dean Runyan Associates and the *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Share of all local TLT Revenue	All TLT Jurisdiction	Participating Jurisdictions	Non-Responsive Jurisdictions	Percent of Participating Jurisdictions
90% of TLT Revenue	30	28	2	93%
8% of TLT Revenue	25	23	2	92%
2% of TLT Revenue	48	37	11	77%
Unknown	17	13	4	76%
Total	120	101	19	84%

Described in another way (see Exhibit 6): 101 of the 120 TLT jurisdictions participated in an interview, representing 97% of the total TLT revenues from the 2017–2018 fiscal year.

Exhibit 6. Interview Responses for all Jurisdictions with TLT Revenues, 2018

Source: ECONorthwest, using revenue data from using data from Dean Runyan Associates and the *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

TLT Jurisdictions	Count of TLT Jurisdictions	TLT Revenue Generated in FY 2017-2018	Share of TLT Revenue Generated in FY 2017-2018
Participating Jursidictions	101	$204,295,461	97%
Non-Responsive Jurisdictions	19	$6,012,718	3%
All TLT Jurisdictions	120	$210,308,179	100%

Organization of this Report

The remainder of the report is organized into the following chapters:

- **Chapter 2 Local Transient Lodging Tax Regulations:** provides an overview of the transient lodging tax and legislative context that influences how jurisdictions may use their transient lodging tax revenues.
- **Chapter 3 Local Transient Lodging Tax Interview Results:** describes changes in local transient lodging tax revenues and expenditures, changes in local transient lodging tax rates, and the administration of the transient lodging tax by local jurisdictions. In addition, Chapter 3 includes comparative analysis between FY 2007–2008 and 2017–2018.
- **Chapter 4 Conclusions:** provides conclusions about the use of the transient lodging taxes and describes the overall economic impact of these local taxes.
- **Appendix A:** presents the TLT interview questionnaire.
- **Appendix B:** presents the ways in which TLT revenues are spent by tourism region and program.

2. Local Transient Lodging Tax Regulations

This section provides details about the TLT—what it is, the tax's current legislative framework, and how it functions in local jurisdictions.

The Transient Lodging Tax

The transient lodging tax (TLT) is a fee charged to customers for overnight lodging, generally for periods of less than 30 consecutive days. TLTs can be levied by local governments, in addition to the state.[11] The fee is a percentage of lodging charges incurred by the customer. The local tax rate is set by individual jurisdictions (cities and counties) and averages 7.5% for all jurisdictions (cities and counties) in Oregon that levy a TLT. The average local TLT rate of the jurisdictions that participated in this study via interview (cities and counties) was 7.2%.

Local governments generally use revenues from the lodging tax to either fund tourism-related facilities or tourism promotion activities, with the purpose of increasing economic activity, or to fund programs indirectly related or unrelated to tourism promotion, such as infrastructure and general services that benefit residents as well as tourists.

Individual lodging providers (e.g. hotel or motel operators) collect transient lodging taxes, imposed by municipalities, by applying the local and statewide tax rate to each customer's lodging charges. The lodging facility owner(s) remit the taxes to the local jurisdiction on the payment schedule required by the jurisdictions. Payment schedules and reporting requirements vary among jurisdictions.

In general, local and statewide TLTs apply to tourists and local customers of overnight lodging facilities. TLT applies to lodging facilities such as (ORS 320.300(11)):

- Hotels and motels
- Bed-and-breakfast facilities
- RV sites in RV parks or campgrounds
- Resorts and inns
- Dwellings: houses, cabins, condominiums, apartment units
- Short-term and vacation rentals
- Tent sites and yurts in private and public campgrounds

Local Transient Lodging Tax: a tax imposed by a unit of local government on the sale, service, or furnishing of transient lodging.

[11] The statewide TLT, established in 2003 by House Bill 2267 and codified in ORS 320.300, is used to fund Oregon Tourism Commission programs, which promotes and manages tourism statewide. The statewide lodging tax is distinct and separate from individual city and county lodging taxes. The statewide tax is in addition to and not in lieu of any local transient lodging taxes. The information presented in this report focuses on local transient lodging taxes, excluding the statewide 1.8% transient lodging tax.

Restrictions on Spending TLT revenues

The 2003 Oregon Legislature passed House Bill 2267, which was codified in ORS 320.300, resulting in the following changes to transient lodging taxes: (1) establishment of a 1% statewide tax on hotels, motels, and other overnight lodging facilities, and (2) requirement that pre-existing local levels of support for tourism continue, and (3) requirements about how new or increased local transient lodging taxes can be spent. The 2008 Transient Lodging Tax study, developed by ECONorthwest, offered a first look at local jurisdictions' spending of TLT since statutory changes were implemented.

The following sub-sections describe the restrictions on local TLT spending.[12] In summary, jurisdictions with a local TLT as of July 2, 2003 are required to maintain (or increase) the amount of revenue spent on tourism related items, as a percent of total net local TLT revenues. In addition, jurisdiction with a local TLT implemented after July 2, 2003 must direct at least 70% of the *new* or *expanded* tax revenue to support the tourism industry.

EXISTING TLT REVENUES

The statutes that guide guiding spending TLT revenue (ORS 320.345 and 320.350) restrict spending of TLT revenues from lodging taxes in effect prior to July 2, 2003 in the following ways:

- **Maintain share of TLT spent on tourism.** Local jurisdictions are required to maintain the share of local TLT used for tourism promotion[13] and tourism-related facilities[14] based on spending on or after July 2, 2003 (ORS 320.350(3)). For example, a city that spent 50% of their local TLT revenue to fund tourist-related facilities on July 1, 2003, may not spend less than 50% of local TLT revenue to fund tourist-related facilities in the future.
- **Honor agreements to increase spending on tourism.** Local jurisdictions that agreed (before July 2, 2003) to increase spending on tourism funded by the local TLT must raise the tax as agreed (ORS 320.350(3)).
- **Continue financing debt with TLT revenue.** A local jurisdiction that is financing debt with local TLT revenues on November 26, 2003 must continue to finance the debt until the retirement of the debt, including any refinancing of that debt. At the time of debt retirement, the tax must be eliminated or must comply with regulations for new or increased local lodging taxes (ORS 320.350(4)).

[12] For more information: https://www.oregonlegislature.gov/bills_laws/ors/ors320.html

[13] "Tourism promotion" means any of the following activities: (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 an festivals designed to attract tourists (ORS 320.300, Definitions).

[14] "Tourism-related facility" means: (a) a conference center, convention center or visitor information center; and (b) other improved real property that has useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities (ORS 320.300, Definitions).

- **Maintain reimbursement rates to lodging providers**. Local jurisdictions are prohibited from decreasing the amount of reimbursement (as a percent of local transient lodging tax collected) allocated to lodging providers based on the amount reimbursement allowed on December 31, 2000 (ORS 320.345(1)). For example, a city that allowed operators to retain 3% of the local lodging tax collected may not decrease the reimbursement percentage below 3%.

  As a further point of clarification, while the rate is called a *reimbursement* rate, in actuality it allows lodging operators to retain dollars prior to remittance of the tax revenue to local governments. In other words, operators do not submit the full tax to get reimbursed by the jurisdiction. Instead, they retain their allowance and then submit the remaining balance to the jurisdiction.

- **Raise reimbursement rates lodging providers with increases in TLT rates**. Local jurisdictions that raised their TLT rate on or after January 1, 2001 are required to reimburse (or retain, see explanation above) lodging providers at least 5% of all collected local TLT revenues, including revenues that would have been collected without the increase (ORS 320.345(3)). For example, if a City reimbursed a lodging provider 3% of their local TLT revenue collected and raised their local TLT rate from 7% to 8% after January 1, 2001, then the City would need to increase the collection reimbursement to lodging providers from 3% to 5% of total, collected, local TLT revenues.

NEW TLT REVENUES

New TLTs or increases in local TLTs (approved on or after July 2, 2003) must meet the requirements described below:

- **Spending of new or increased revenue on tourism.** At least 70% of the net revenue from a *new* or *increased* local transient lodging tax must be used for tourism promotion and tourism-related facilities (including debt financing of tourism-related facilities). No more than 30% of the net revenue from a new or increased TLT may be used for funding city or county services (i.e. transportation infrastructure, libraries, parks, and other services) (ORS 320.350(6)). For example, if a City raises their TLT from a 6% to 7% rate, the additional 1% tax must adhere to the 70/30 revenue split.

- **Using TLT to finance debt of tourism-related facilities.** Net revenue from new or increased local TLT can be used to finance or refinance debt of tourism-related facilities and to pay administrative costs involved in financing or refinancing that debt provided: (1) TLT revenue may be used for administrative costs only if the jurisdiction provides a collection reimbursement charge to lodging providers; and (2) after the debt is retired, the jurisdiction reduces the TLT rate by the amount the TLT rate was increased to finance or refinance the debt (ORS 320.350(5)).

SPENDING ON TOURISM

The restrictions on spending existing or new TLT revenues are designed, in part, to maintain or increase the spending of TLT revenues on tourism, as a reinvestment in tourism. ORS 320.300[15] provides the following definitions of tourism and related activities:

"**Tourism**" means economic activity resulting from tourists.

"Tourism promotion" means any of the following activities:

(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 promotion agency**" includes:

(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.

"Tourism-related facility" means:

(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.

"**Tourist**" means 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.

[15] ORS 320.300: https://www.oregonlegislature.gov/bills_laws/ors/ors320.html

3. Local Transient Lodging Tax Interview Results

The purpose of this project was to learn how municipalities across Oregon use the revenues they generate from their local transient lodging tax (TLT). The results of the project will help Travel Oregon understand the expenditure of TLT revenues in local jurisdictions. This project focused on the programs, facilities, services, and activities that were financed with local TLT funds in the 2017–2018 fiscal year.

This chapter presents the results of study in the following sections:

- Local TLT Revenues
- Local TLT Expenditures
- Administration of Local TLT

TLT: Quick Facts

The following provides a high-level snapshot of the TLT interview findings for the 2017–2018 fiscal year:

104	16	84%
Cities that Receive TLT Revenue	Counties that Receive TLT Revenue	Interview Participation Rate
7.2%	$608k	4
Average TLT Rate of Participating Jurisdictions	The Average Program Expenditures of Participating Jurisdictions	Average Number of Programs that TLT is Used for, of Participating Jurisdictions

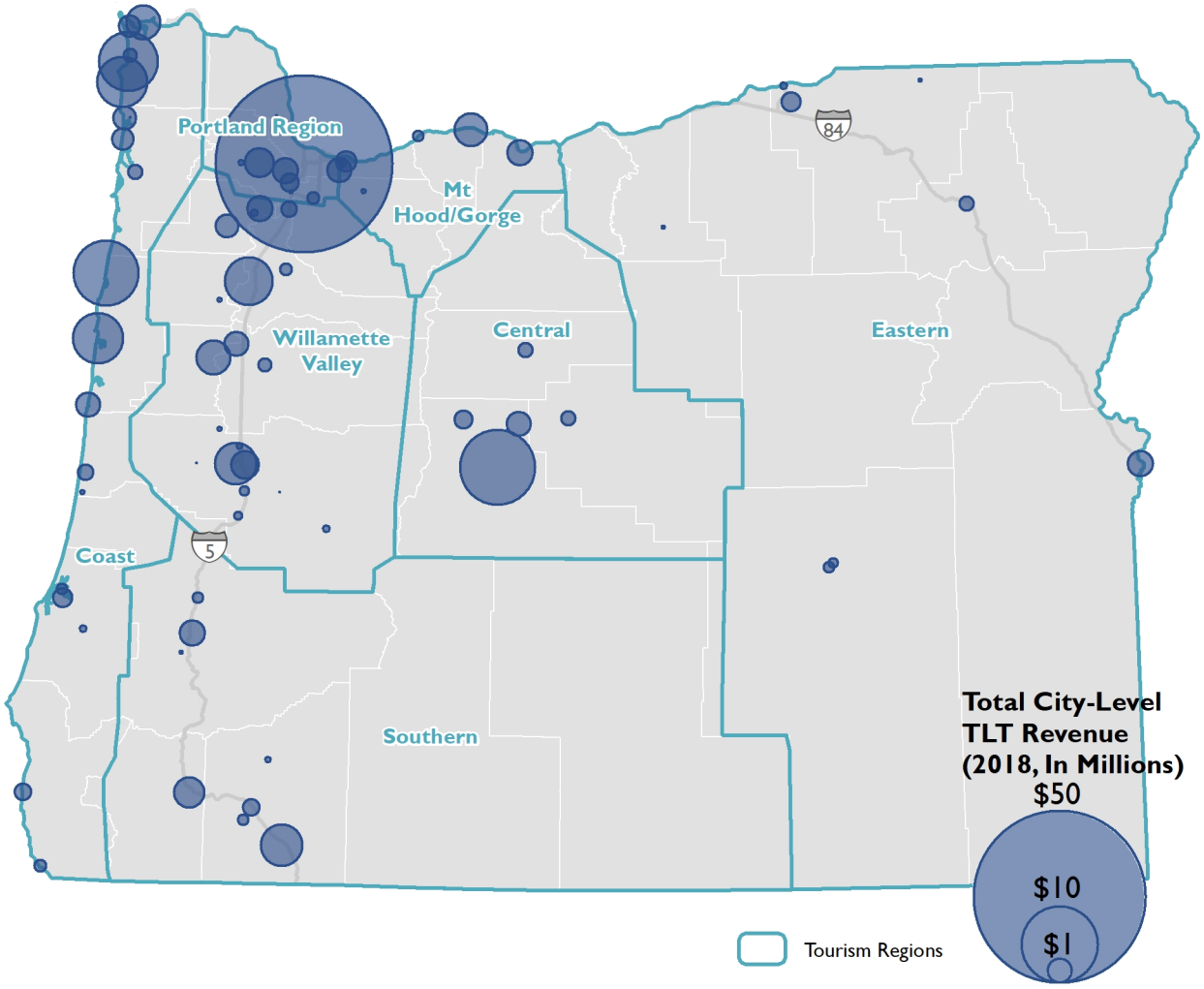
Local TLT Revenues

The following maps (Exhibit 7 and Exhibit 8) show total revenue for cities and counties using proportional symbols (i.e. dots are proportional to revenue values).

As displayed in Exhibit 7, the four cities with the largest total revenues in 2018 were Portland ($53.2 million), Bend ($9.7 million), Lincoln City ($7.2 million), and Seaside ($5.9 million). In 2018, local TLT revenue generated by cities was concentrated in the Portland Region, along the northern coast, and along the I-5 corridor.

Exhibit 7. Total TLT Revenue, Participating TLT Jurisdictions (cities only) by Tourism Region, FY 2018

Source: ECONorthwest, using revenue data from Dean Runyan Associates (and Travel Lane County for Cottage Grove, Eugene, Florence, and Springfield).

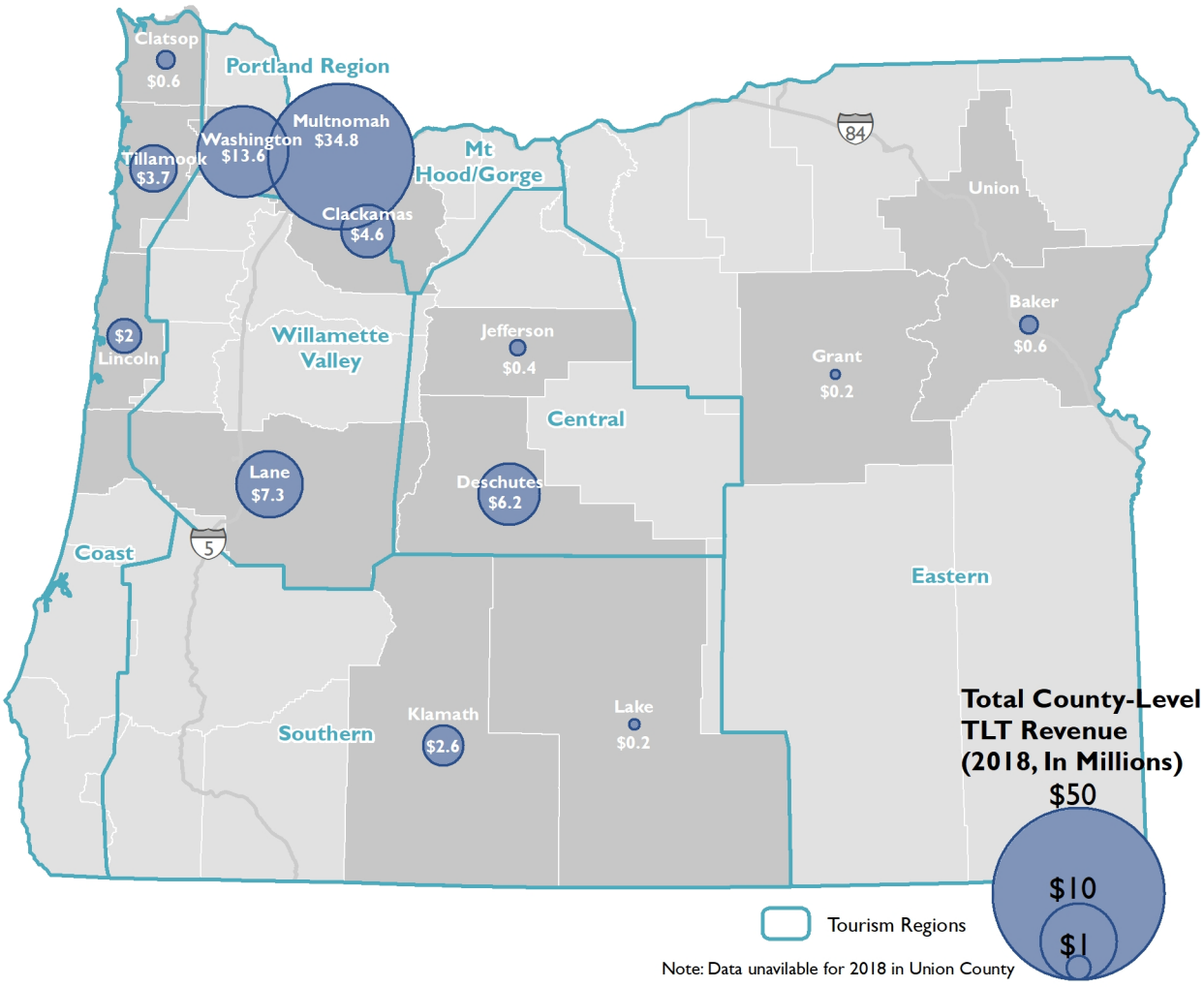


As displayed in Exhibit 8, the counties with the largest TLT revenues in 2018 were Multnomah County ($34.8 million), Washington County ($13.6 million), Lane County ($7.3 million), and Deschutes County ($6.2 million).

Several counties only impose their local TLT rates in unincorporated areas of their jurisdiction which limits the amount of revenue they receive (e.g., Clatsop, Deschutes, Jefferson, and Lincoln Counties).[16] Tillamook County levies their TLT rate in both unincorporated and incorporated areas of the county (but they impose a lower rate in incorporated areas). Baker, Clackamas, Grant, Klamath, Lake, Lane, Multnomah, Union, and Washington Counties impose a single TLT rate across both incorporated and unincorporated areas of their jurisdictions.

Exhibit 8. Total TLT Revenue, Participating TLT Jurisdictions (counties only) by Tourism Region, FY 2018

Source: ECONorthwest, using revenue data from Dean Runyan Associates (and Travel Lane County for Lane County).



[16] Hood River County also levies their TLT in unincorporated areas only but did not participate in this study.

Local TLT Revenues per Capita

This section compares local TLT revenues by normalizing findings across communities of varying sizes. Exhibit 9 shows the amount of local TLT revenue per capita (i.e. local TLT revenue per resident) in 2007 and 2018. The Coast had the highest per capita TLT revenue in 2007 and 2018 ($109 and $231 per person respectively) and the largest change per person ($122 per person). The Willamette Valley had the lowest per capita TLT revenue in 2007 and in 2018, while Eastern region experienced the smallest change in local TLT revenues ($4 per person difference).

Per capita TLT revenue grew in each region.

Some of the increase in TLT revenue may have resulted from jurisdictions increasing their TLT rate.

Exhibit 9. Change in Local TLT Revenues per Capita, Participating TLT Jurisdictions by Tourism Region, FY 2007 and FY 2018

Source: Calculations by ECONorthwest, using revenue data from Dean Runyan Associates and Travel Lane County, and population estimates from the Population Research Center at Portland State University (2007 and 2018).

Region	TLT Revenue per Capita		Change 2007-2018	
	2007	2018	Amount	Percent Change
Coast	$109	$231	$122	111%
Mt. Hood/Gorge	$43	$92	$49	114%
Central	$41	$84	$43	104%
Portland Region	$28	$60	$32	118%
Southern	$29	$47	$18	61%
Eastern	$24	$29	$4	18%
Willamette Valley	$15	$26	$12	79%

As Exhibit 10 and Exhibit 11 indicate, the participating TLT cities with the most revenue per capita are located along the Coast. The cities of Cannon Beach ($2,497), Yachats ($1,398), and Manzanita ($1,396) generated the most revenue per capita and are all located in the Coast region. The average revenue per capita for all participating TLT cities was $56.

Exhibit 10. Local TLT Revenue per Capita, Participating TLT Jurisdictions (cities only) by Tourism Region, FY 2018

Source: ECONorthwest, using revenue data from Dean Runyan Associates and Travel Lane County, and population estimates from the Population Research Center at Portland State University (2018).

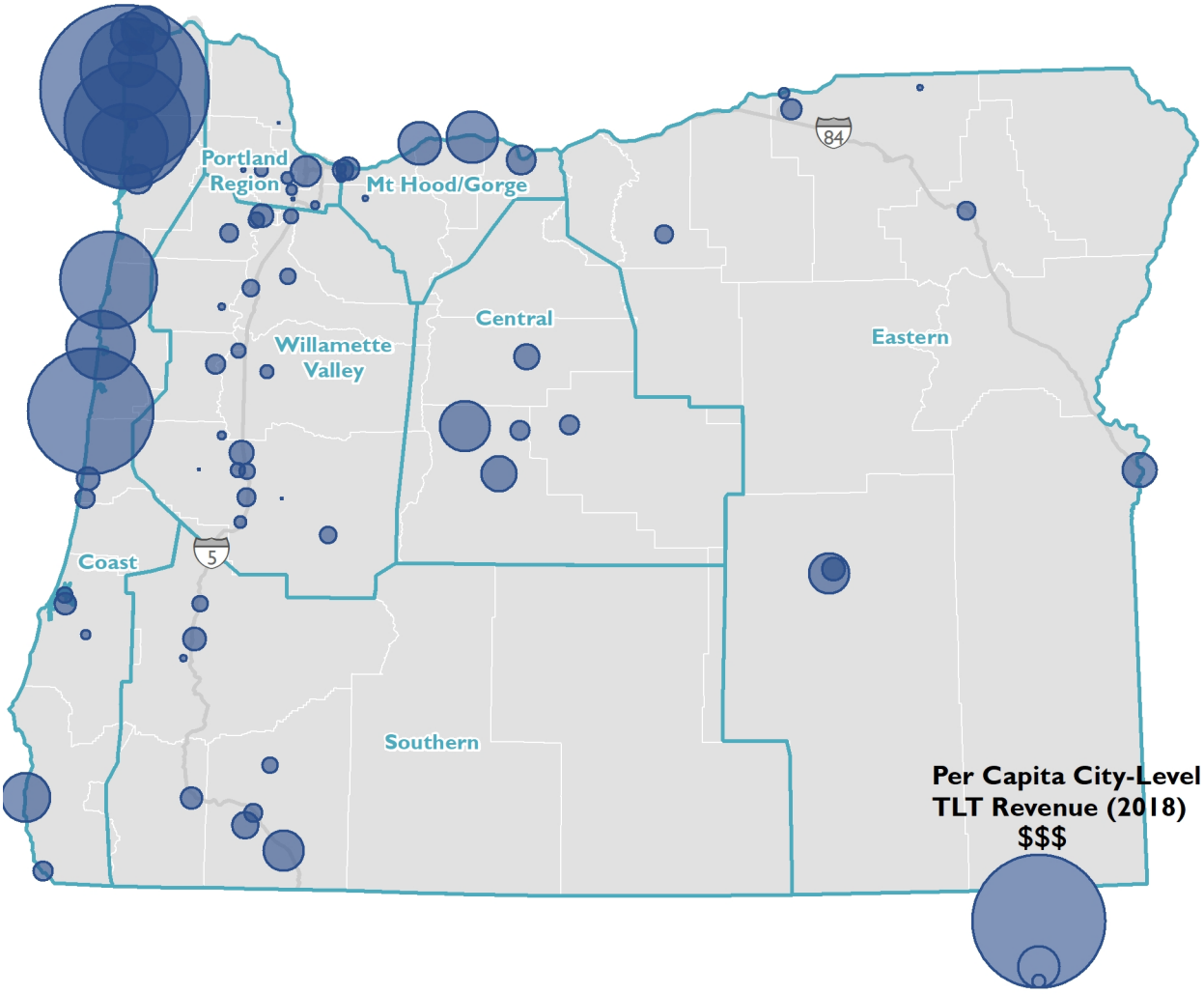


Exhibit 11. Local TLT Revenue Per Capita, Participating Jurisdictions (cities only) by Tourism Region, FY 2018

Source: Calculations by ECONorthwest, using revenue data from Dean Runyan Associates (and Travel Lane County for Cottage Grove, Eugene, Florence, and Springfield), and population estimates from the Population Research Center at Portland State University (2018).

Jurisdiction by Tourism Region	Revenue Per Capita
Central	
Sisters	$218
Bend	$108
Madras	$56
Redmond	$34
Prineville	$34
Metolius	*not available*
Coast	
Cannon Beach	$2,497
Yachats	$1,398
Manzanita	$1,396
Seaside	$893
Lincoln City	$822
Rockaway Beach	$633
Newport	$420
Gold Beach	$210
Astoria	$206
Gearhart	$201
Warrenton	$158
Tillamook	$76
Coos Bay	$41
Dunes City	$35
Brookings	$35
North Bend	$23
Nehalem	$9
Depoe Bay	*not available*
Reedsport	*not available*
Waldport	*not available*
Eastern	
Hines	$142
Ontario	$99
Burns	$49
Hermiston	$37
La Grande	$29
Condon	$28
Umatilla	$10
Milton-Freewater	$3
Heppner	*not available*
Pendleton	*not available*

Jurisdiction by Tourism Region	Revenue Per Capita
Mt. Hood / Gorge	
Hood River	$237
Cascade Locks	$160
The Dalles	$73
Troutdale	$45
Wood Village	$39
Portland Region	
Portland	$82
Hillsboro	$14
Tigard	$10
Beaverton	$12
St. Helens	$9
Gresham	$9
Fairview	$8
Oregon City	$7
Sandy	$3
Forest Grove	$2
Tualatin	$0.98
Scappoose	$0.50
Southern	
Ashland	$140
Jacksonville	$61
Roseburg	$47
Grants Pass	$41
Central Point	$28
Sutherlin	$23
Shady Cove	$22
Winston	$5
Phoenix	*not available*

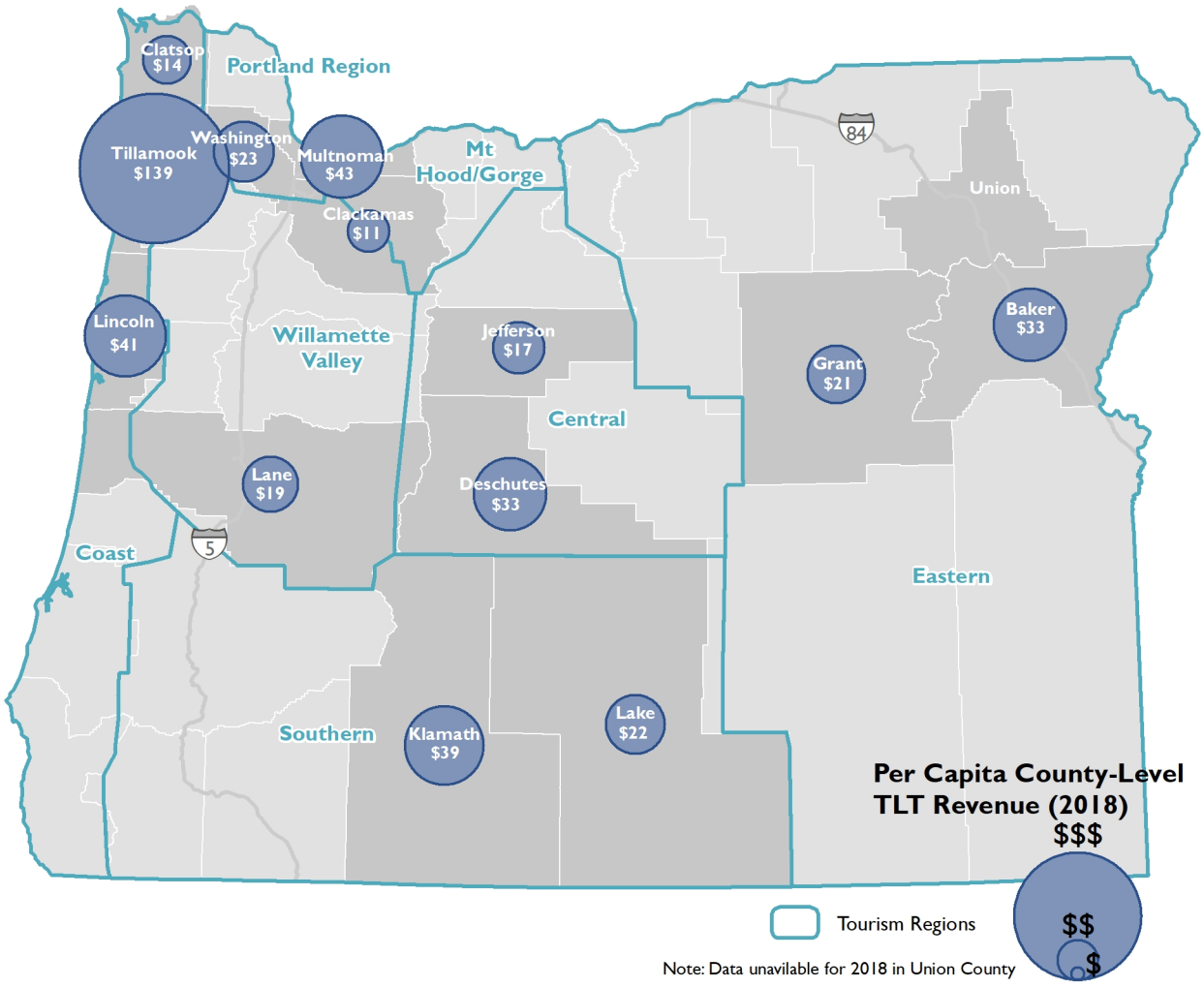
Jurisdiction by Tourism Region	Revenue Per Capita
Willamette Valley	
Coburg	$51
Newberg	$47
Florence	$47
Corvallis	$33
Creswell	$31
McMinnville	$28
Oakridge	$25
Salem	$24
Springfield	$23
Silverton	$22
Dundee	$22
Albany	$20
Wilsonville	$18
Eugene	$18
Lebanon	$16
Cottage Grove	$12
Junction City	$6
Monmouth	$5
Lowell	$0.66
Veneta	$0.21
Dallas	*not available*
Keizer	*not available*
Stayton	*not available*
Sweet Home	*not available*

Note: This exhibit presents the cities that participated in an interview. Revenue data, (provided by Dean Runyan Associates), that informed the revenue per capita calculation was not available for all cities. In these instances, ECONorthwest used the annotation "not available."

Next is the analysis of revenue per capita for counties. The average TLT revenue per capita for participating counties was $34. Tillamook County generated the most revenue per capita ($139) while Clackamas County generated the least revenue per capita ($11).

Exhibit 12. Local TLT Revenue per Capita, Participating TLT Jurisdictions (counties only) by Tourism Region, FY 2018

Source: Calculations by ECONorthwest, using revenue data from Dean Runyan Associates and Travel Lane County for Lane County. Population estimates derive from the Population Research Center at Portland State University (2018).



Note: The proportional symbols in Exhibit 10 do not use the same scale as the symbols in this exhibit. Counties highlighted in dark grey participated in the study. County revenue is net of city collections.

Change in Local TLT Revenues, FY 2007 to FY 2018

TLT revenues increased in all tourism regions between 2007 and 2018. Exhibit 13 shows change in TLT revenues by region for 2007 and 2018. In nominal dollars, TLT revenues grew by 128% or $114.8 million in Oregon between 2007 and 2018. The Portland Region accounted for over half of local TLT revenue in Oregon in 2018 ($111 million), with growth of $66.8 million or 151% from 2007. The share of local TLT revenue collected in the Portland Region increased by nearly 5% over the last decade.

Jurisdictions in the Coast and in the Willamette Valley regions accounted for a combined 29% of local TLT revenue collected across the State. Jurisdictions in the Oregon Coast collected $35.8 million in local TLT revenues in 2018, an increase of $19.5 million or 120% since 2007. In the Willamette Valley, jurisdictions collected $22.3 million in 2018, an increase of $11 million or 97% since 2007.

Exhibit 13. Change in Local TLT Revenues, Participating TLT Jurisdictions by Tourism Regions, FY 2007 and FY 2018

Source: Calculations by ECONorthwest, using revenue data from Dean Runyan Associates and Travel Lane County.

		TLT Collections				Change in Revenue 2007 to 2018		
		2007		2018				
Region	Jurisd.	Revenue	Percent of Total	Revenue	Percent of Total	Amount	Percent	Share
Portland Region	15	$44,173,957	49%	$110,955,343	54%	$66,781,386	151%	5.0%
Coast	24	$16,262,496	18%	$35,795,436	18%	$19,532,940	120%	-0.6%
Willamette Valley	25	$11,334,012	13%	$22,314,981	11%	$10,980,969	97%	-1.7%
Central	8	$7,922,896	9%	$18,622,491	9%	$10,699,595	135%	0.3%
Southern	11	$5,452,009	6%	$9,374,451	5%	$3,922,442	72%	-1.5%
Mt. Hood/Gorge	5	$1,693,980	2%	$4,068,724	2%	$2,374,744	140%	0.1%
Eastern	13	$2,775,069	3%	$3,395,614	2%	$620,545	22%	-1.4%
Total	101	$89,614,419	100%	$204,527,040	100%	$114,912,621	128%	-

Exhibit 14 shows TLT revenues in 2018 and percent change in TLT revenues between 2007 and 2018. It shows that, in four of the seven tourism regions, TLT revenues grew by over 100% over the last eleven years.

Exhibit 14. Total Local TLT Revenues, Participating TLT Jurisdictions by Tourism Region, FY 2018 and Change Between FY 2007 and FY 2018

Source: Calculations by ECONorthwest, using revenue data from Dean Runyan Associates and Travel Lane County.

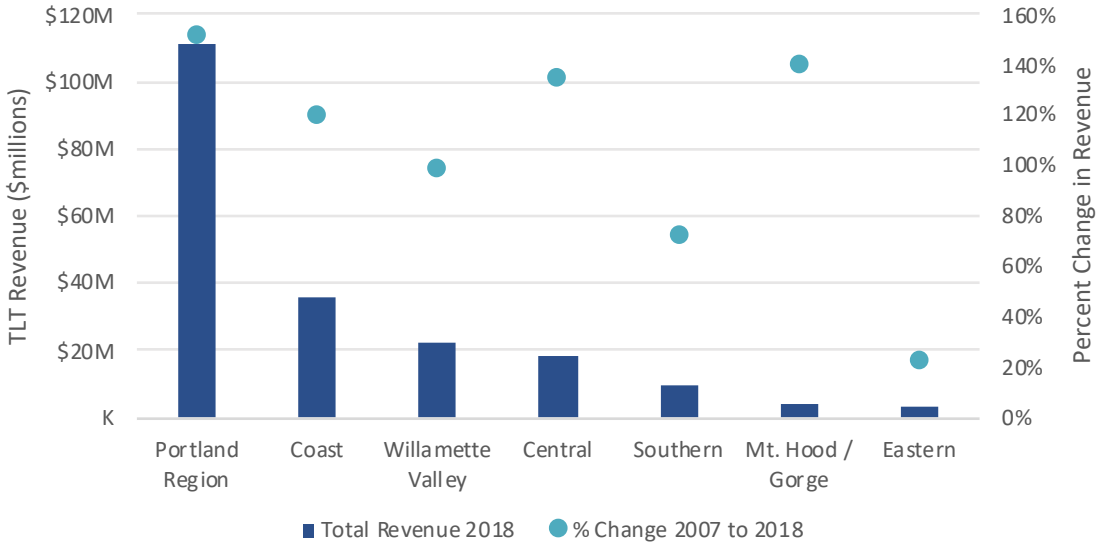


Exhibit 15 shows change in the distribution of local TLT revenues. In 2007, the Portland Region's TLT revenues accounted for 49% of local TLT revenues, increasing to 54% by 2018.

Exhibit 15. Percent of Total Local TLT Revenues, Participating TLT Jurisdictions by Tourism Regions, FY 2007 and FY 2018

Source: Calculations by ECONorthwest, using revenue data from Dean Runyan Associates and Travel Lane County.

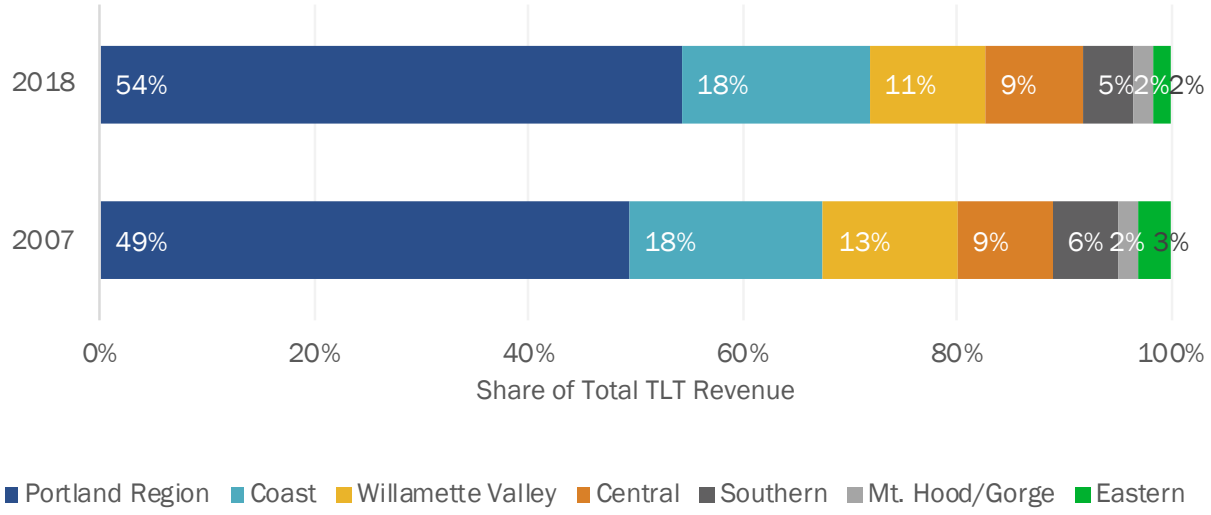


Exhibit 16 shows change in TLT revenues by jurisdiction over the 2007 to 2018 period. In 2018, the jurisdictions with the largest TLT revenues were Portland, Multnomah County, Washington County, Bend, Lincoln City, Eugene, Deschutes County, and Seaside.

Exhibit 16. Change in Local TLT Revenue Collections, Participating TLT Jurisdictions by Tourism Region, FY 2007 and FY 2018

Source: Calculations by ECONorthwest, using revenue data from Dean Runyan Associates and Travel Lane County. Note: In instances where data is unavailable, ECONorthwest could not calculate a percent change or revenue change; this is represented with a dash.

Jurisdiction	TLT Revenue Collection		Change 2007 to 2018	
	2007	2018	Amount	Percent Change
Central				
Bend	$3,303,000	$9,700,000	$6,397,000	194%
Deschutes - Unincorporated	$3,304,438	$6,249,600	$2,945,162	89%
Jefferson - Unincorporated	$228,022	$388,521	$160,499	70%
Madras	$171,827	$354,739	$182,912	106%
Metolius	$2,082	*not available*	-	-
Prineville	$197,250	$339,003	$141,753	72%
Redmond	$492,744	$995,754	$503,010	102%
Sisters	$223,532	$594,874	$371,342	166%
Coast				
Astoria	$1,028,982	$1,998,522	$969,540	94%
Brookings	$170,683	$229,177	$58,494	34%
Cannon Beach	$1,997,424	$4,270,546	$2,273,122	114%
Clatsop - Unincorporated	$134,859	$569,068	$434,209	322%
Coos Bay	$553,678	$685,204	$131,526	24%
Depoe Bay	$402,571	*not available*	-	-
Dunes City	$23,693	$46,631	$22,938	97%
Gearhart	$119,425	$302,483	$183,058	153%
Gold Beach	$291,898	$475,376	$183,478	63%
Lincoln - Unincorporated	$1,118,544	$1,963,802	$845,258	76%
Lincoln City	$3,437,960	$7,173,273	$3,735,313	109%
Manzanita	$313,474	$893,329	$579,855	185%
Nehalem	*not available*	$2,444	-	-
Newport	$2,271,620	$4,248,219	$1,976,599	87%
North Bend	$245,487	$222,034	-$23,453	-10%
Reedsport	$172,674	*not available*	-	-
Rockaway Beach	$225,632	$854,750	$629,118	279%
Seaside	$2,595,978	$5,945,788	$3,349,810	129%
Tillamook	$315,749	$374,686	$58,937	19%
Tillamook - Incorporated	*not available*	*not available*	-	-
Tillamook - Unincorporated	*not available*	$3,660,541	-	-
Waldport	$23,048	*not available*	-	-
Warrenton	$316,060	$838,255	$522,195	165%
Yachats	$503,056	$1,041,308	$538,252	107%

Exhibit continued on following pages.

Jurisdiction	TLT Revenue Collection		Change 2007 to 2018	
	2007	2018	Amount	Percent Change
Eastern				
Baker County	$385,109	$558,693	$173,584	45%
Burns	$78,885	$139,618	$60,733	77%
Condon	*not available*	$19,486	-	-
Grant County	$98,403	$156,637	$58,234	59%
Heppner	$3,951	*not available*	-	-
Hermiston	$313,443	$678,588	$365,145	116%
Hines	$128,877	$221,325	$92,448	72%
La Grande	$232,370	$383,674	$151,304	65%
Milton-Freewater	*not available*	$22,302	-	-
Ontario	$606,998	$1,140,329	$533,331	88%
Pendleton	$767,608	*not available*	-	-
Umatilla	$15,977	$74,962	$58,985	369%
Union County	$143,448	*not available*	-	-
Mt. Hood and Columbia River Gorge				
Cascade Locks	$116,671	$220,016	$103,345	89%
Hood River	$577,969	$1,894,382	$1,316,413	228%
The Dalles	$560,853	$1,076,026	$515,173	92%
Troutdale	$340,617	$724,912	$384,295	113%
Wood Village	$97,870	$153,388	$55,518	57%
Portland Region				
Beaverton	*not available*	$1,158,948	-	-
Clackamas County	$2,776,897	$4,629,328	$1,852,431	67%
Fairview	$39,037	$73,305	$34,268	88%
Forest Grove	*not available*	$53,358	-	-
Gresham	$556,046	$994,578	$438,532	79%
Hillsboro	*not available*	$1,452,027	-	-
Multnomah County	$16,726,000	$34,806,000	$18,080,000	108%
Oregon City	$51,546	$238,096	$186,550	362%
Portland	$17,526,682	$53,181,447	$35,654,765	203%
Scappoose	*not available*	$3,573	-	-
Sandy	$17,819	$30,071	$12,252	69%
St. Helens	*not available*	$123,148	-	-
Tigard	*not available*	$542,780	-	-
Tualatin	*not available*	$26,557	-	-
Washington County	$6,479,931	$13,642,127	$7,162,196	111%

Exhibit continued on following page.

Jurisdiction	TLT Revenue Collection		Change 2007 to 2018	
	2007	2018	Amount	Percent Change
Southern				
Ashland	$1,551,386	$2,910,000	$1,358,614	88%
Central Point	$293,468	$495,046	$201,578	69%
Grants Pass	$1,046,936	$1,532,684	$485,748	46%
Jacksonville	$64,485	$180,388	$115,903	180%
Klamath County	$1,329,537	$2,633,811	$1,304,274	98%
Lake County	$110,666	$178,035	$67,369	61%
Phoenix	$26,994	*not available*	-	-
Roseburg	$881,145	$1,166,406	$285,261	32%
Shady Cove	$65,150	$67,361	$2,211	3%
Sutherlin	$73,365	$184,923	$111,558	152%
Winston	$8,877	$25,797	$16,920	191%
Willamette Valley				
Albany	$700,912	$1,061,288	$360,376	51%
Coburg	$48,169	$61,043	$12,874	27%
Corvallis	$1,095,330	$1,976,863	$881,533	80%
Cottage Grove*	$96,890	$122,376	$25,486	26%
Creswell	$82,442	$169,485	$87,043	106%
Dallas	*not available*	*not available*	-	-
Dundee	*not available*	$72,061	-	-
Eugene*	$1,671,707	$3,024,441	$1,352,734	81%
Florence*	$127,787	$412,144	$284,357	223%
Junction City	$25,862	$34,602	$8,740	34%
Keizer	$75,963	*not available*	-	-
Lane County*	$3,958,389	$7,257,795	$3,299,406	83%
Lebanon	$30,378	$276,203	$245,825	809%
Lowell	$0	$706	$706	-
McMinnville	*not available*	$950,622	-	-
Monmouth	$9,424	$44,806	$35,382	375%
Newberg	$129,383	$1,118,742	$989,359	765%
Oakridge	$50,849	$82,893	$32,044	63%
Salem	$2,394,765	$3,922,627	$1,527,862	64%
Silverton	*not available*	$231,074	-	-
Springfield*	$756,945	$1,393,527	$636,582	84%
Stayton	*not available*	*not available*	-	-
Sweet Home	$18,488	*not available*	-	-
Veneta	$0	$1,002	$1,002	-
Wilsonville	$267,651	$450,412	$182,761	68%

***Note: Travel Lane County provided revenue estimates for Lane County, Cottage Grove, Eugene, Florence, and Springfield.**

Other cities within Lane County (Coburg, Creswell, Dunes City, Junction City, Lowell, McKenzie, Oakridge, Veneta, and Westfir) receive a share of Lane County's total revenue. While revenue amounts are listed for these communities (using Dean Runyan data), they are not in addition to the $4 million (2007) and $7.3 million (2018) revenue amount for Lane County.

Local TLT Expenditures

This section provides information about fiscal year 2017–2018 expenditures at a higher and more detailed-level, comparing findings from fiscal year 2006–2007 where data is available.

The overall increase in expenditures from 2007 to 2018 is similar to local jurisdictions' overall growth in revenues. Total local TLT revenues increased by $114.8 million or 128% from 2007 to 2018. In that same time, local TLT expenditures increased by $155.7 million or 202%. The difference in growth in revenue versus growth expenditures (about $28.6 million) could be due to several reasons. For example, Dean Runyan Associates provided revenue data while individual TLT jurisdictions provided expenditure details. Jurisdictions could have spent TLT revenues from previous years in FY 2018 (i.e. revenues carried over to FY 2018). Jurisdictions could have estimated or rounded their expenditure amounts as well.

Program expenditures have increased, as have the number of individual programs.

In 2018, the average amount of local TLT revenues allocated to programs increased by more than $333,000.

Exhibit 17. Local TLT Expenditures, Participating Jurisdictions, FY 2007 and FY 2018

Source: *Transient Lodging Tax Survey* (2008) and *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

	2007	2018	Change (Amount)	Percent Change
Total Programs	281	383	102	36%
Total Expenditures	$77.2m	$232.9m	$155.7m	202%
Average Expenditure per Program	$274,549	$607,970	$333,421	121%

The following maps (Exhibit 18 and Exhibit 19) show total expenditures for cities and counties using proportional symbols (i.e. dots are proportional to spending).

Exhibit 18. Total TLT Expenditures, Participating TLT Jurisdictions (cities only) by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

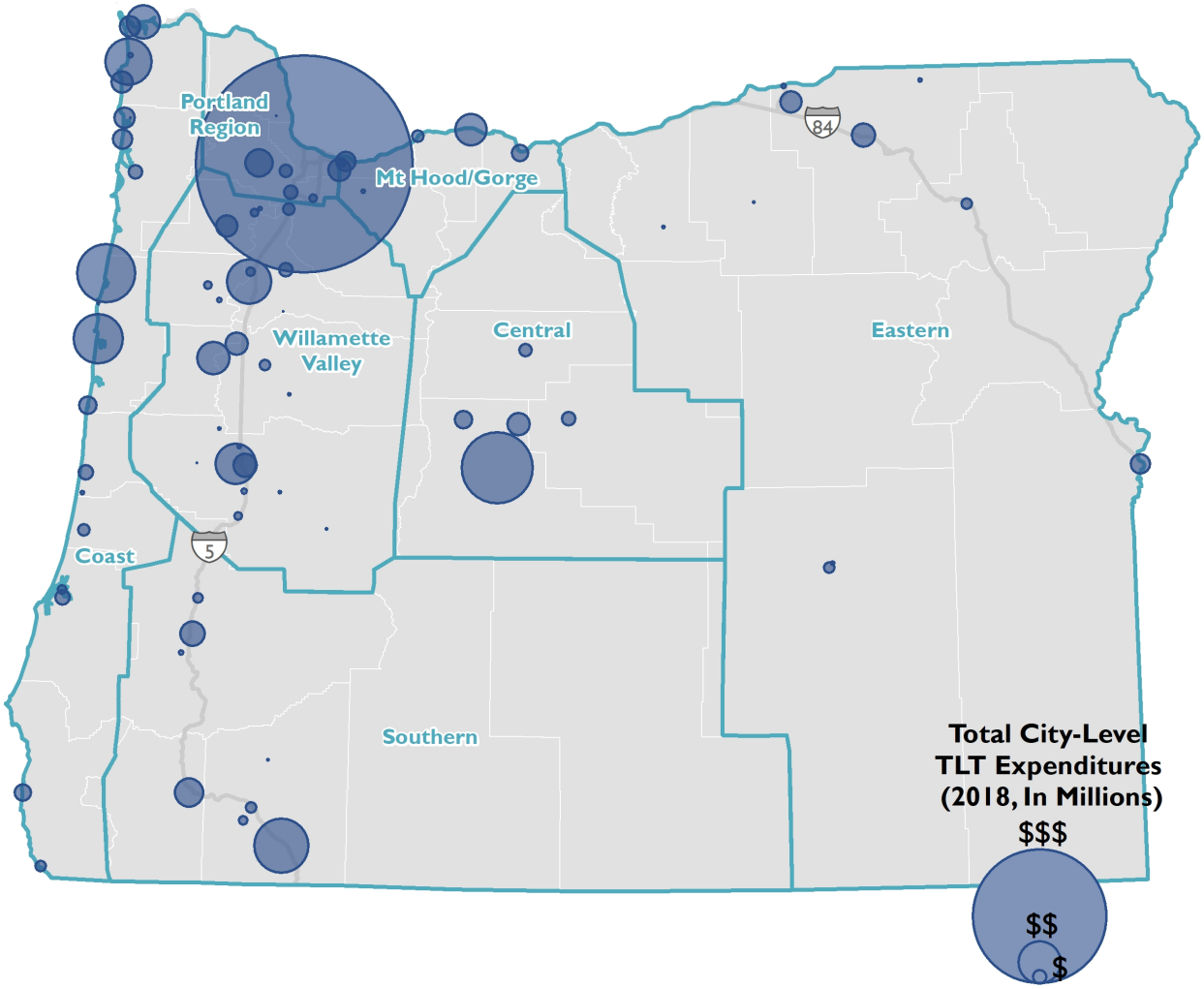
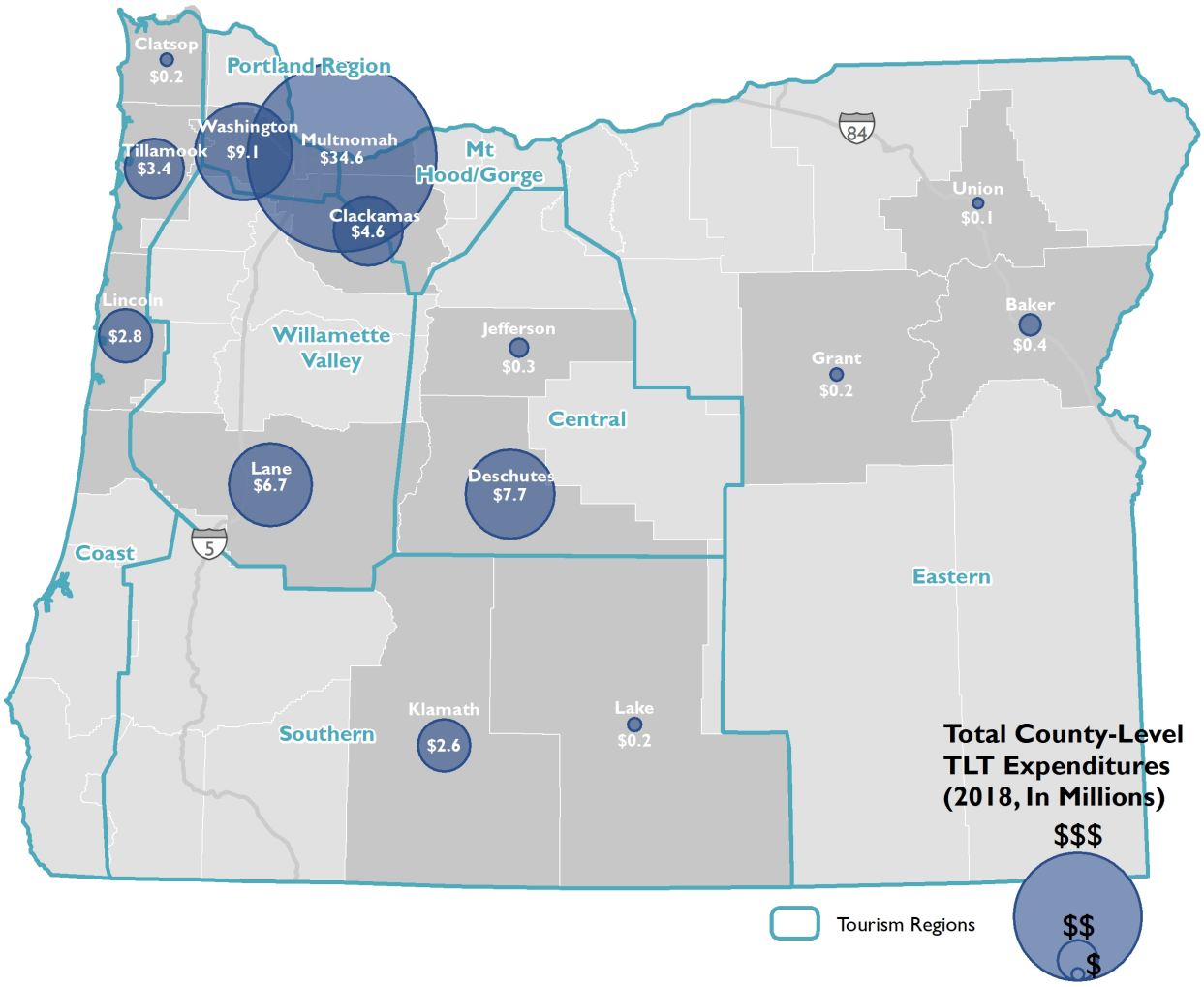


Exhibit 19. Total TLT Expenditures, Participating TLT Jurisdictions (counties only) by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



Local TLT Expenditures per Capita in FY 2018

This section compares local TLT revenues by normalizing findings across communities of varying sizes. Exhibit 20 shows the amount of local TLT spending per capita (i.e. dollars of local TLT spending per resident) in 2007 and 2018.

Per capita TLT spending grew in each region.

Per capita spending in nominal dollars increased the most in the Coast region ($138 increase) and the least in the Eastern region ($10).

Exhibit 20. Change in Local TLT Expenditures per Capita, Participating TLT Jurisdictions by Tourism Region, FY 2007 and FY 2018

Source: *Transient Lodging Tax Survey* (2008) and *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest. Population estimates derive from the Population Research Center at Portland State University (2007 and 2018).

Region	TLT Expenditure per Capita		Change 2007-2018	
	2007	2018	Amount	Percent Change
Coast	$74	$212	$138	187%
Central	$24	$89	$65	267%
Mt. Hood/Gorge	$24	$81	$57	240%
Portland Region	$25	$75	$50	198%
Southern	$35	$57	$23	65%
Eastern	$23	$33	$10	45%
Willamette Valley	$6	$26	$20	326%

The following maps (Exhibit 21 and Exhibit 22) show per capita expenditures for cities and counties using proportional symbols (i.e. dots are proportional to spending).

Exhibit 21. Local TLT Expenditures per Capita, Participating TLT Jurisdictions (cities only) by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest. Population estimates derive from the Population Research Center at Portland State University (2018).

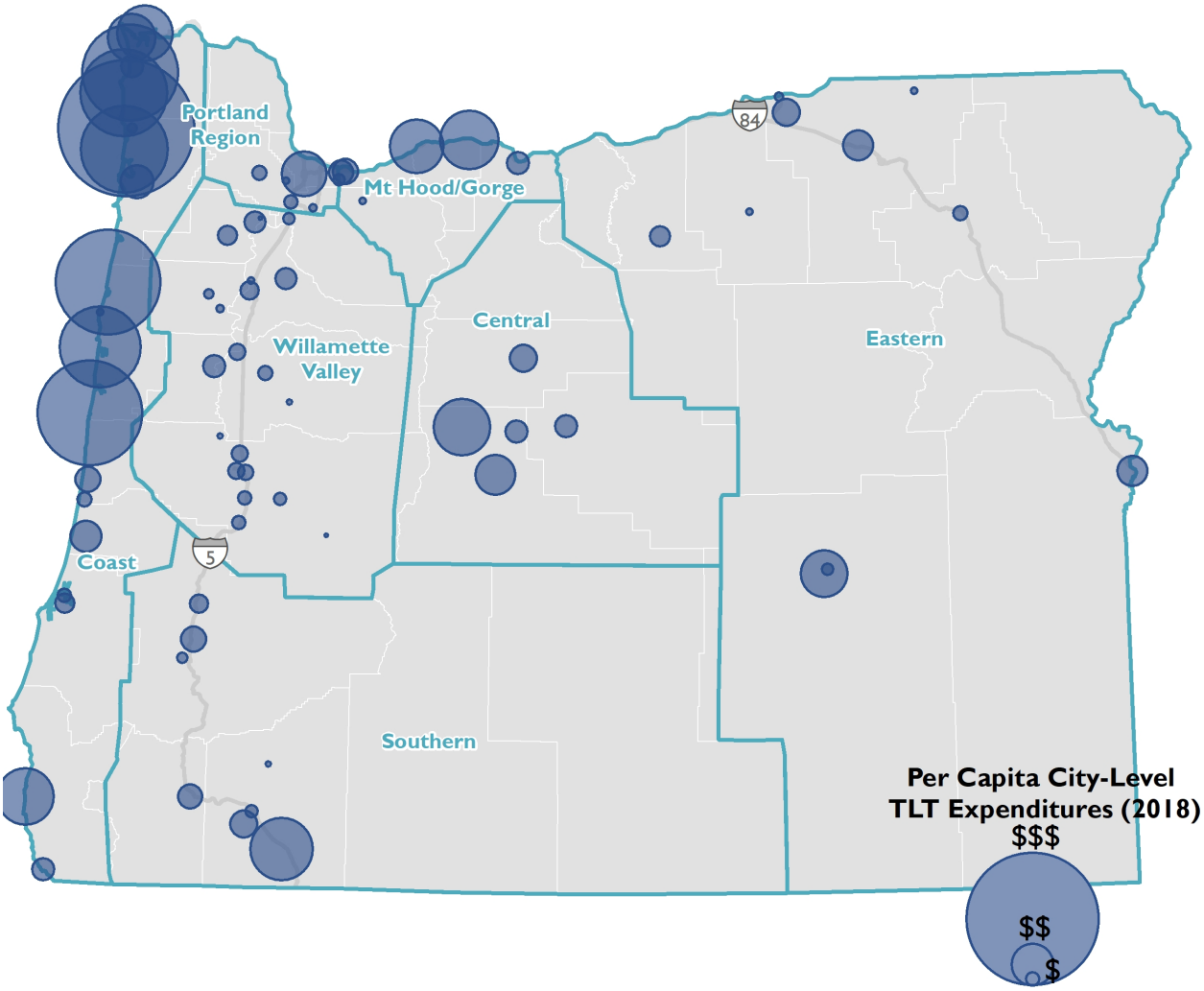
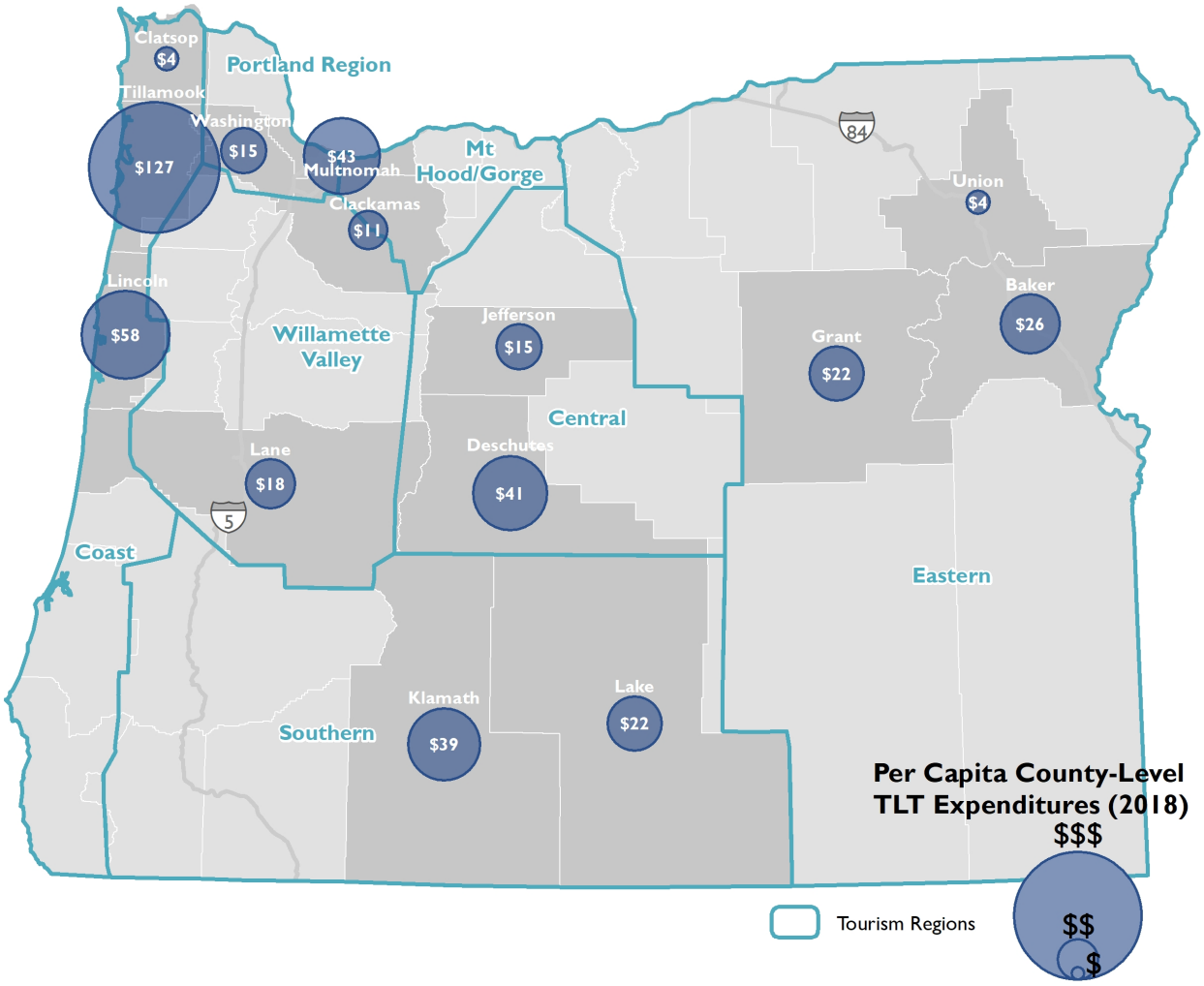


Exhibit 22. Local TLT Expenditures per Capita, Participating TLT Jurisdictions (counties only) by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest. Population estimates derive from the Population Research Center at Portland State University (2018).



Overview of Local TLT Expenditure Details

This section presents the primary findings of this study. It defines the general categories of TLT expenditures, and it provides details about the kinds of activities that jurisdictions' fund using their local TLT dollars.

Programs

For purposes of this analysis, "programs" is a term defined as activities or other ways that cities and counties spend their local TLT revenues. In total, jurisdictions provided information about 383 programs that they spend TLT revenues on. On average, jurisdictions allocated TLT revenues to four programs per jurisdiction.

ECONorthwest asked jurisdictions to describe in detail the programs that FY 2017–2018 TLT revenues were spent on. ECONorthwest categorized programs into one of nine categories, using largely the same categories from the 2008 *Transient Lodging Tax Study*, defined and described below.

- **General services** are the provision of services that serve local residents such as law enforcement, other public safety, parks, road maintenance, library services, and other services. Spending on general services accounted for $84.2 million or 36% in 2018, down from 39% in 2007.
- **Tourism-related facilities** includes facilities such as conference centers, visitor centers, and other facilities with a useful life of 10 or more years with a "substantial purpose of supporting tourism or accommodating tourist activities" (ORS 320.300(9)). Spending on tourism-related facilities accounted for $58.3 million or 25% of TLT revenues in 2018, down from 29% in 2007.
- **Tourism promotion** includes marketing entities and activities to promote the jurisdiction or events in the jurisdiction, such as advertising or marketing plans. Spending on tourism promotion accounted for $49 million in 2018 or 21% of TLT revenues, up from 18% in 2007.
- **Arts, culture, and entertainment** is for local activities, such as theaters, choir groups, local museums, debt service on capital improvement that are used most frequently by local residents, and other activities. Spending in this category accounted for $20.9 million in 2018 or 9%, up from 6% in 2007.
- **Events** include activities such as concerts, festivals, holiday celebrations, and activities that attract visitors and residents. Spending on events accounted for $9.1 million or 4% in 2018, up from 1% in 2007.
- **Chambers of commerce** are organizations that promote business activity and may promote tourism. Spending on chambers of commerce accounted for $4 million or 2% in 2018. Spending on commerce activities also accounted for 2% of local TLT spending in 2007.

- **Economic development activities** include programs that promote local economic activities, such as business attraction and promotion, infrastructure projects (e.g., median strips), beautification projects, downtown redevelopment projects, or providing amenities (e.g., benches) in public areas. Spending on economic development accounted for $4.1 million or 2% in 2018, down from 5% in 2007.
- **Administration and overhead** includes administrative activities, such as accounting or TLT tax collection costs. Spending on administration accounted for $1.2 million or 1% in 2018, up from $272k in 2007.
- **Other** includes uses of TLT revenues that do not fit into the other categories, such as revenue sharing or ending fund balances. Other spending accounted for $2.1 million or 1% in 2018, up from 0.4% in 2007.

Exhibit 23 and Exhibit 24 show total expenditures for each of the nine program categories. About 82% of local TLT expenditures were in the following categories: general services (35%), tourism-related facilities (26%), and tourism promotion (21%). Nominal spending increased in all program categories between 2007 and 2018.

Exhibit 23. Local TLT Expenditures by Program Category, Participating TLT Jurisdictions, FY 2007 and FY 2018

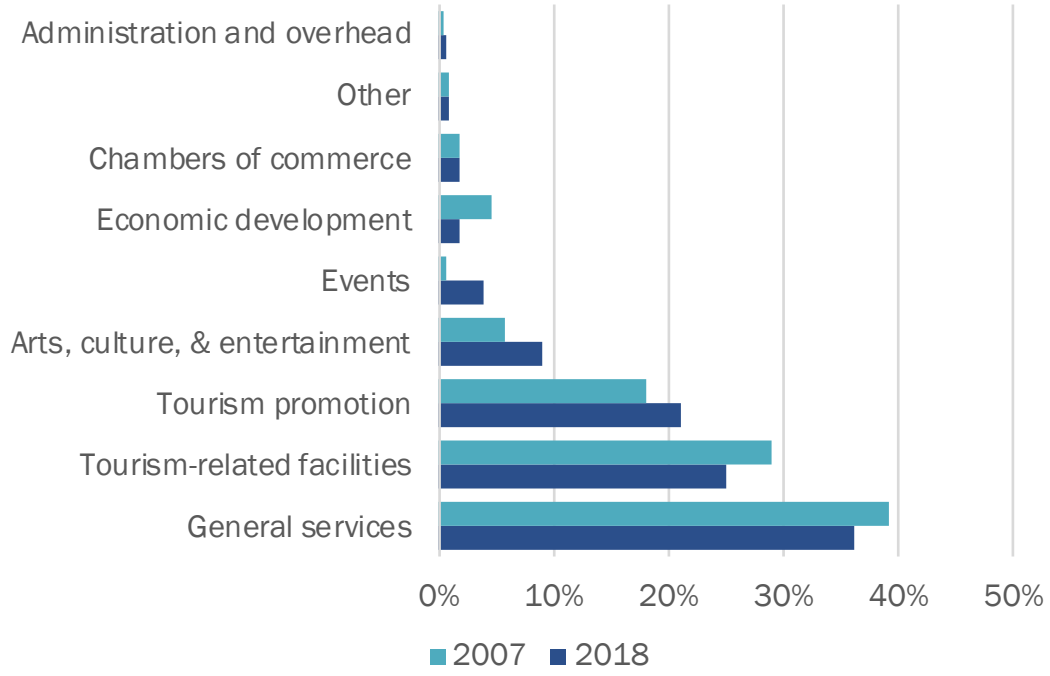
Source: *Transient Lodging Tax Survey* (2008) and *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Program Category	2007			2018			Change in Expenditure	
	Programs	Expenditures	Share	Programs	Expenditures	Share	Amount	Percent
General services	78	$30,148,071	39%	107	$84,194,912	36%	$54,046,841	179%
Tourism-related facilities	31	$22,376,825	29%	25	$58,312,100	25%	$35,935,275	161%
Tourism promotion	41	$13,870,125	18%	76	$48,965,052	21%	$35,094,927	253%
Arts, culture, & entertainment	17	$4,397,013	6%	24	$20,855,625	9%	$16,458,612	374%
Events	30	$530,901	1%	40	$9,184,891	4%	$8,653,990	1630%
Economic development	32	$3,507,240	5%	44	$4,071,652	2%	$564,412	16%
Chambers of commerce	35	$1,340,412	2%	40	$4,035,060	2%	$2,694,648	201%
Other	12	$705,255	1%	7	$2,062,897	1%	$1,357,642	193%
Administration and overhead	5	$272,459	0%	20	$1,170,350	1%	$897,891	330%
Total	281	$77,148,300	100%	383	$232,852,539	100%	$155,704,239	202%

As a percent of total expenditures, spending in general services, tourism-related facilities, and economic development decreased from 2007 to 2018. In that same time, as a percent of total expenditures, spending in tourism promotion; arts, culture, and entertainment; events, and administration and overhead increased.

Exhibit 24. Local TLT Expenditures by Program Category, Participating TLT Jurisdictions, FY 2007 and FY 2018

Source: *Transient Lodging Tax Survey* (2008) and *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



Program Purpose

In addition to categorizing programs into one of nine program categories, ECONorthwest also coded programs by its intent or purpose. Program purpose categories were (1) tourism-related, (2) non-tourism related, or (3) other (i.e., a catch-all for activities like "year-end balance," etc.).

ECONorthwest had limited information about each program (and respective activities) to make program purpose assignments. To classify a program as tourism-related, the program would need to (1) attract tourist from more than 50 miles away or (2) cause a tourist to stay overnight. Because information about these two factors **were not** readily available, program purpose assignments (as well as assignments to the nine program categories) could be debated. ECONorthwest reminds readers that the purpose of this project was not to audit TLT jurisdictions to ensure compliance with statutes that dictate TLT revenue spending.

As displayed in Exhibit 25, ECONorthwest categorized 52% of program expenditures as tourism related, 47% as non-tourism related, and 1% as "other." In the previous study, ECONorthwest used different categorizes but the breakdown was: 49% tourism related, 45% non-tourism related, and 6% economic development.

To provide an example of the program purpose categories, ECONorthwest categorized 25 programs as tourism-related "events" and 15 programs as non-tourism related "events" (Exhibit 25). Events classified as tourism-related included such events as Fourth of July fireworks celebrations, County fairs, festivals, etc. Events categorized as non-tourism related included concerts in the park, "social events to bring families together," Santa welcoming and Christmas tree lighting events, etc.

Exhibit 25. Local TLT Expenditures by Purpose and Program Category, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Program Category by Purpose	Programs	Expenditures	Share of Total Expenditures
Tourism	176	$120,854,607	51.9%
Tourism-related facilities	25	$58,312,100	25.0%
Tourism promotion	76	$48,965,052	21.0%
Events	28	$8,582,179	3.7%
Chambers of commerce	29	$3,441,176	1.5%
Arts, culture, and entertainment	16	$1,411,368	0.6%
Economic development	2	$142,732	0.1%
Non-Tourism	200	$109,935,035	47.2%
General services	107	$84,194,912	36.2%
Arts, culture, and entertainment	8	$19,444,257	8.4%
Economic development	42	$3,928,920	1.7%
Administration and overhead	20	$1,170,350	0.5%
Events	12	$602,712	0.3%
Chambers of commerce	11	$593,884	0.3%
Other	7	$2,062,897	0.9%
Other	7	$2,062,897	0.9%
Total	383	$232,852,539	100%

Program Activities

The exhibits that follow present the details, or the activities, of programs. Each program category is displayed as an individual exhibit and activities are summarized generally. In addition, Appendix B presents these details by tourism region.

TOURISM-RELATED FACILITIES

Exhibit 26 shows detailed TLT expenditures for tourism-related facility programs. Jurisdictions spent TLT revenues on a variety of activities, but most frequently on the operations and maintenance of tourism-related facilities (about $5 million, or 8.5% of total spending in this program category). The majority of program expenditures in this category (about 83%) went toward capital facility debt service.

Exhibit 26. Detailed Local TLT Expenditures for Tourism-Related Facility Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Tourism			
Capital Facility Debt Service	2	$48,500,000	83.2%
Operations/Maintenance - Facilities	13	$4,952,496	8.5%
Grants to Support Tourism Activities	3	$2,554,660	4.4%
Capital Project Event Center	1	$1,454,000	2.5%
Pool Construction Bond	1	$248,886	0.4%
Acquisition of Tourism Facility	1	$239,101	0.4%
Capital Project - Boating Facility	1	$162,957	0.3%
Capital Project - Expo Center	1	$100,000	0.2%
Capital Project - Interactive Elevator	1	$50,000	0.1%
Set Aside Revenue for Capital Project	1	$50,000	0.1%
Total	25	$58,312,100	100%

TOURISM PROMOTION

Exhibit 27 provides additional detail about TLT expenditures for tourism promotion programs. The majority of jurisdictions interviewed did not provide precise descriptions of their tourism promotion activities (about 88%).

Exhibit 27. Detailed Local TLT Expenditures for Tourism Promotion Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Tourism			
General	57	$42,913,961	87.6%
Social Media/Websites	3	$4,095,741	8.4%
Promotion of Events	2	$545,095	1.1%
Mobile Kiosk	1	$475,581	1.0%
Promotion of Tourism Facility	3	$317,970	0.6%
Undesignated	1	$277,485	0.6%
Professional Services	2	$193,752	0.4%
Grants for Tourism Promotion	6	$125,467	0.3%
Promotional Video	1	$20,000	0.0%
Total	76	$48,965,052	100%

ARTS, CULTURE, AND ENTERTAINMENT

Exhibit 28 provides details about spending in the arts, culture, and entertainment program category. The majority (92%) of spending in this category went toward public art programs. Jurisdictions also spent over a million dollars on museums.

Exhibit 28. Detailed Local TLT Expenditures for Arts, Culture, and Entertainment Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Tourism	16	$1,411,368	6.8%
Museum	8	$1,098,298	5.3%
Aquarium	1	$246,373	1.2%
Sister City Program	3	$21,000	0.1%
Trolley Rides	1	$20,300	0.1%
Historic Building Tours	1	$15,142	0.1%
Aquatic Center	1	$9,955	0.0%
Fine Arts	1	$300	0.0%
Non-Tourism	8	$19,444,257	93.2%
Public Art*	6	$19,139,257	91.8%
Historic Buildings	1	$300,000	1.4%
Other	1	$5,000	0.0%
Total	40	$20,855,625	95%

*Note: Public art may qualify as a tourism activity if it is programmed to bring in tourists, such as a mural or art trail. However, without having specific details on the type of public art programmed, this has been classified as a non-tourism purpose.

EVENTS

Exhibit 29 provides details about spending on events. The majority (66%) of spending in this category went to activities classified as "community events." Over $2 million in this program category (23.5%) went toward supporting annual fairs and County fairgrounds.

For most jurisdictions, non-tourism related community event(s) included events such as concerts in the park, fundraisers at community centers, seasonal events (e.g. tree lightings), and fun runs. Tourism related community event(s) include larger-scale events identified to pull in large crowds and other, miscellaneous events held at event centers.

Exhibit 29. Detailed Local TLT Expenditures for Event Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Tourism	28	$8,582,179	93.4%
Community Event(s)	4	$5,494,662	59.8%
County Fair	5	$2,160,460	23.5%
Multi-Day Events	2	$382,217	4.2%
Festival	3	$157,649	1.7%
Solar Eclipse	2	$149,000	1.6%
Grants for Events that Support Tourism	3	$116,045	1.3%
Event Support - Public Safety	3	$53,400	0.6%
4th of July	3	$52,813	0.6%
Parade	2	$14,303	0.2%
Other	1	$1,630	0.0%
Non-Tourism	12	$602,712	6.6%
Community Event(s)	9	$572,406	6.2%
Community Concert Series	2	$30,056	0.3%
Other	1	$250	0.0%
Total	40	$9,184,891	100%

CHAMBERS OF COMMERCE

Many jurisdictions allocated a share of their TLT revenues directly to local Chambers of Commerce. Exhibit 30 shows how the Chambers' spent revenues received by TLT jurisdictions. Half of revenues spent by local Chambers of Commerce went toward marketing and promotion efforts. Almost 30% went toward jurisdictions' visitor centers.

Exhibit 30. Detailed Local TLT Expenditures for Chambers of Commerce Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Tourism	29	$3,441,176	85.3%
Marketing and Promotion	17	$2,018,560	50.0%
Visitor Center	6	$1,105,132	27.4%
Special Projects	1	$117,500	2.9%
Grants	1	$80,000	2.0%
Events	2	$65,074	1.6%
Facilities	2	$54,910	1.4%
Non-Tourism	11	$593,884	14.7%
Undesignated	9	$526,971	13.1%
Multimedia Equipment	1	$64,263	1.6%
Other	1	$2,650	0.1%
Total	40	$4,035,060	100%

ECONOMIC DEVELOPMENT

Exhibit 31 provides details about spending on economic development programs. About 55% went toward funding grant programs and beautification efforts.

While one could rationalize a nexus with tourism, ECONorthwest categorized nearly 100% of economic development related programs as non-tourism. For example, ECONorthwest categorized $6,000 of "Bike/Ped Pathway" activities[17] as non-tourism related, although it is reasonable that tourists could use those pathways during their visits in, or overnight stays at, the respective community. ECONorthwest categorized about $140,000 of "Bike/Ped Pathway" activities as tourism-related because the jurisdiction used dollars to match a grant for the construction of a portion of trailhead in a recreation area.

Exhibit 31. Detailed Local TLT Expenditures for Economic Development Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Tourism	2	$142,732	3.5%
Bike/Ped Pathway	1	$140,232	3.4%
Covered Bridge Maintenance	1	$2,500	0.1%
Non-Tourism	42	$3,928,920	96.5%
Grants	6	$1,228,538	30.2%
Beautification	11	$1,033,123	25.4%
Capital Projects	1	$479,550	11.8%
Business Development/Retention	2	$282,172	6.9%
Downtown Development	4	$268,227	6.6%
Professional Services	4	$206,215	5.1%
Undesignated	3	$177,420	4.4%
Park Project	2	$104,318	2.6%
Main Street Initiatives	3	$92,817	2.3%
Workforce Resources	2	$22,540	0.6%
Purchase/appraisal of property	1	$17,000	0.4%
Other	3	$17,000	0.4%
Total	44	$4,071,652	100%

[17] One program funded a bicycle lane (no other details provided) and the other program funded the extension of a walking/biking path to connect two main roads.

GENERAL SERVICES

Exhibit 32 provides details about spending on general service programs. The majority of revenues categorized as general services went directly into the General Fund (about 78%).

Exhibit 32. Detailed Local TLT Expenditures for General Services Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Non-Tourism			
General Fund	34	$65,264,449	77.5%
Law Enforcement / Public Safety	9	$5,039,565	6.0%
Transportation	9	$3,998,959	4.7%
Parks and Recreation Maintenance	12	$3,889,350	4.6%
Operations/Maintenance - Facilities	4	$1,703,528	2.0%
Fairgrounds	2	$1,009,276	1.2%
Operations	6	$842,251	1.0%
Undesignated	5	$785,680	0.9%
Debt Service	1	$681,646	0.8%
Grant	5	$300,056	0.4%
Emergency Preparedness / Services	6	$286,250	0.3%
Parks and Recreation	1	$116,700	0.1%
Infrastructure	1	$98,797	0.1%
Emergency Preparedness	1	$52,120	0.1%
Capital Project - City Hall Remodel	1	$50,413	0.1%
Youth Program	3	$29,368	0.0%
Capital Project - Office Building	1	$26,922	0.0%
Other	6	$19,582	0.0%
Total	107	$84,194,912	100%

ADMINISTRATION AND OVERHEAD

Exhibit 33 provides some details about program expenditures categorized as an administration and overhead program. Most jurisdictions spent (89%) TLT revenues on general administration of their TLT (e.g. staff time to perform collection, accounting, recording, and similar duties). Two jurisdictions spent almost $100,000 in TLT revenues (combined) to audit lodging providers. Another two jurisdictions redistributed their TLT revenues back to room operators.

Exhibit 33. Detailed Local TLT Expenditures for Administration and Overhead Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Non-Tourism			
Administrative Services	16	$1,043,116	89.1%
Auditing	2	$95,000	8.1%
Room Operators	2	$32,234	2.8%
Total	20	$1,170,350	100%

OTHER

Exhibit 34 provides details about TLT revenues spent on "other" programs. These expenditures did not neatly fit into the previously mentioned program categories. For example, nearly $2 million was held in reserves or leftover as an ending balance.

Exhibit 34. Detailed Local TLT Expenditures for Other Programs, Participating TLT Jurisdictions, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose	Programs	Expenditures	Share of Total Expenditures
Other			
Reserves	2	$1,639,178	79.5%
Ending Balance	2	$354,765	17.2%
Loan Payment	1	$62,000	3.0%
Credit Card Processing Fee	1	$6,843	0.3%
Refund of Overpayment	1	$111	0.0%
Total	7	$2,062,897	100%

Regional Variations in Program Spending

This section presents program expenditure findings for FY 2018, aggregated by tourism region. Appendix B provides additional details about program expenditures by tourism region.

In FY 2018, bout $141 million of TLT revenue was spent in the Portland Region.

Exhibit 35. Total Local TLT Expenditures, Participating TLT Jurisdiction by Tourism Region, FY 2018

Source: Local Transient Lodging Tax: Expenditures and Administration (2019), ECONorthwest.

Region	Total, Local TLT Expenditures	Share of Total, Local TLT Expenditures
Portland Region	$140,978,815	61%
Coast	$32,744,964	14%
Willamette Valley	$20,193,247	9%
Central	$19,872,336	9%
Southern	$11,568,686	5%
Eastern	$3,949,325	2%
Mt. Hood/Gorge	$3,545,166	2%
Total	$232,852,539	100%

ECONorthwest asked jurisdictions about all expenditures made by the jurisdiction. Exhibit 36 shows TLT expenditures as a share of total expenditures (inclusive of all jurisdictions' expenditures) by tourism region. Although the Portland Region has the largest nominal expenditures from TLT revenues (see Exhibit 35), TLT dollars in the Coast and Mt. Hood/Gorge regions make up the greatest share of total, jurisdiction-wide expenditures (inclusive of all revenue sources).

Exhibit 36. Total Local TLT Expenditures as a Share of Total Jurisdictional Expenditures (for all types of expenditures), Participating TLT Jurisdiction by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

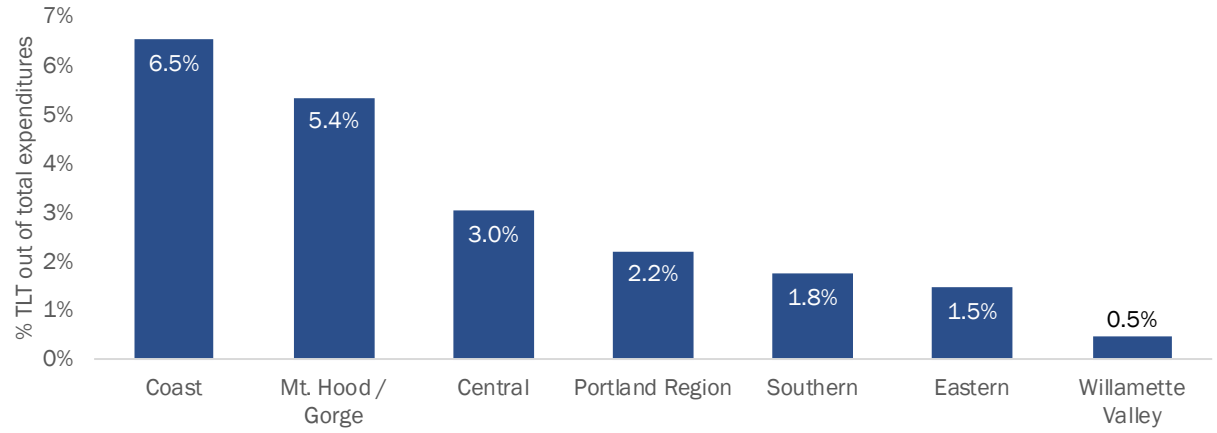
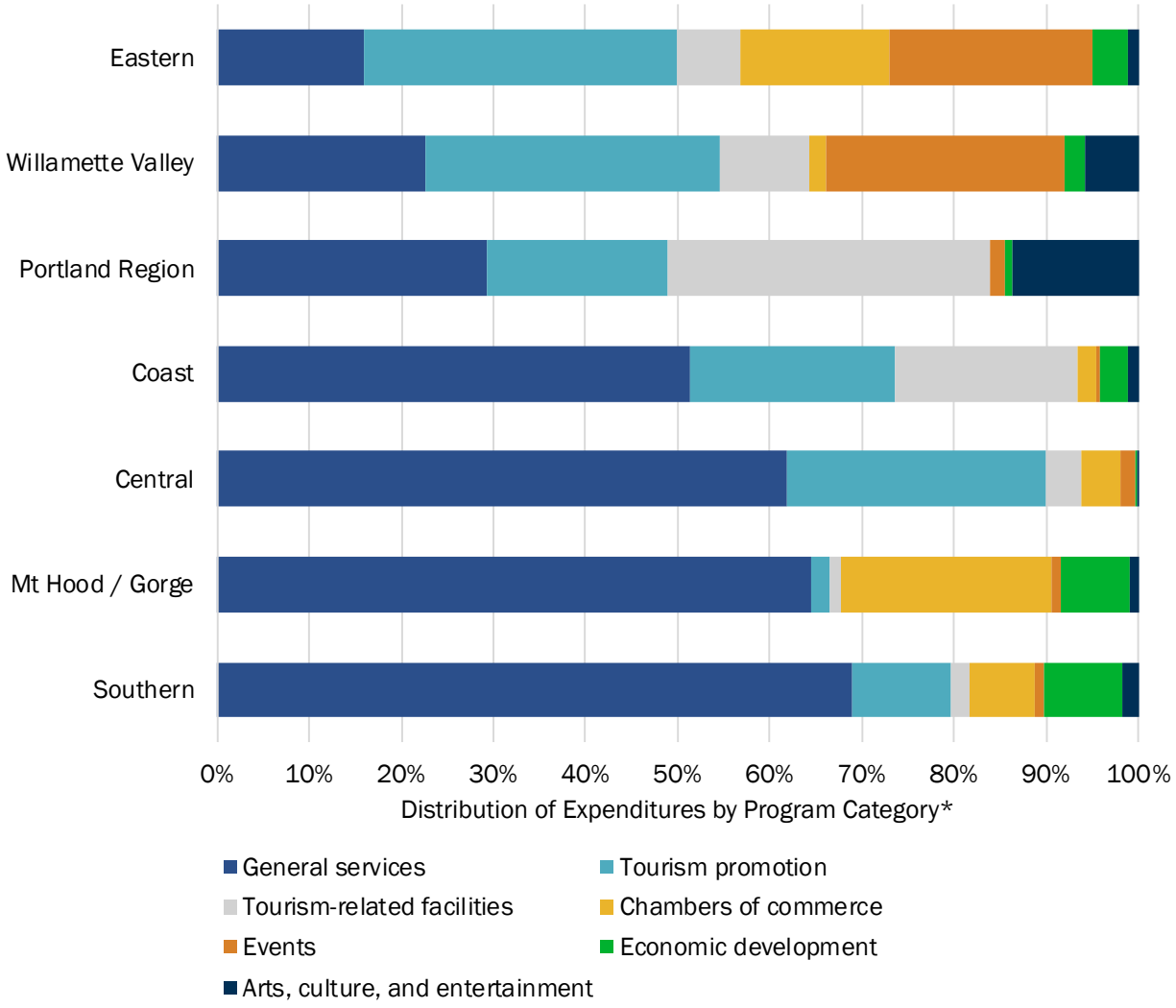


Exhibit 37 shows that in FY 2018, Southern, Mt. Hood/Gorge, Central, and the Coast regions spent more than half of their TLT revenue on general services. The Portland Region and the Coast spent a larger share of their revenues on tourism-related facilities compared to other regions in Oregon (35% and 25%, respectively). With the exception of the Portland Region (14%) most regions did not spend a large share of their TLT revenues on arts, culture, and entertainment.

Exhibit 37. Comparison of Spending by Program Category, Participating TLT Jurisdiction by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



*Note: Expenditures in the program category "Other" and the program category "Administration and Overhead" are excluded for this analysis.

Administration of Local TLT

Just as jurisdictions vary in their spending of local TLT, jurisdictions also vary in the administration of their local TLT. This section provides some historical context about the administration of the local TLT and it describes variations in TLT revenue collection and sharing between jurisdictions.

Change in Local TLT Levy Rates

Local jurisdictions' levy TLT rates on lodging facilities at varying rates but, on average, local TLT rates are 7.2% (respective of the jurisdictions that participated in this study). The following exhibits describe TLT rates in a few ways to characterize similarities and differences.

The average (mean) local TLT rate has increased by almost 1% from 2003 to 2018.

As of 2018, the highest tax rate was 12.0% and the lowest was 1.0%.

Exhibit 38. Variance of Local TLT Levy Rate, Participating TLT Jurisdictions, FY 2003, FY 2007, and FY 2018

Source: ECONorthwest, using data from Dean Runyan and Travel Oregon.

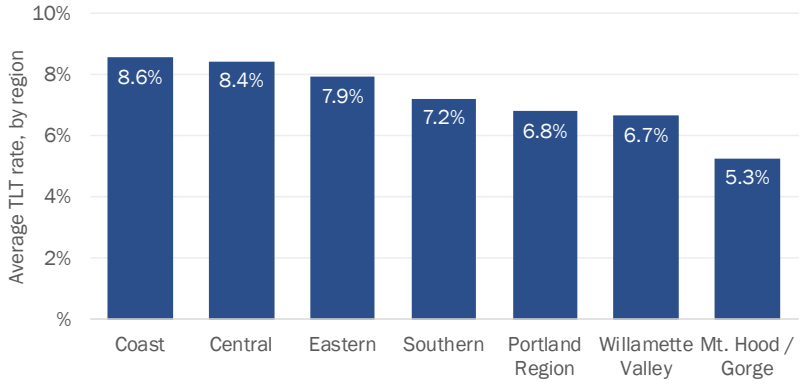
	TLT Tax Rate		
	2003	2007	2018
Mean	6.4%	6.8%	7.2%
Median	7.0%	7.0%	8.0%
Mode	7.0%	6.0%	9.0%
Minimum	1.0%	1.0%	1.0%
Maximum	9.0%	9.5%	12.0%

The Coast Region had the highest average TLT rate at nearly 9%.

Eastern, Willamette Valley, and Portland Regions had average rates below 7%.

Exhibit 39. Average Local TLT Levy Rate, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: ECONorthwest, using data from Dean Runyan and Travel Oregon.

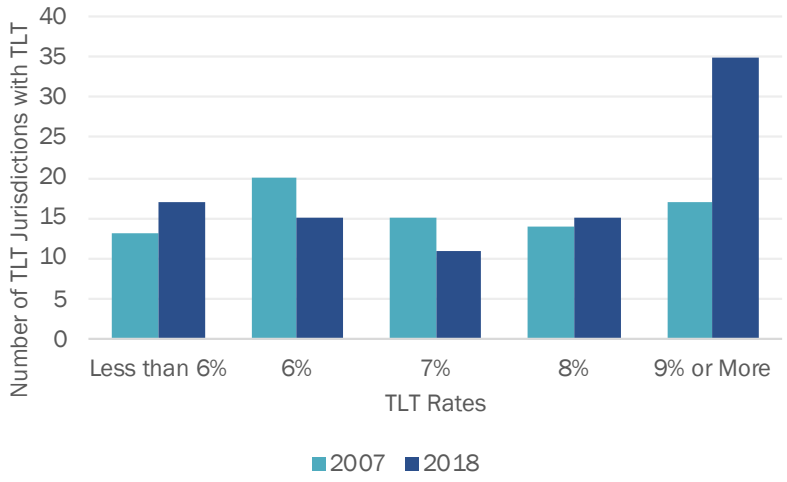


Over the last decade, jurisdictions have increased their TLT rates.

As of 2018, 38% of TLT jurisdictions imposed a tax rate of 9% or higher, up from 22% in 2007.

Exhibit 40. Local TLT Levy Rates, Participating TLT Jurisdictions (cities and counties), FY 2007 and FY 2018

Source: ECONorthwest, using data from Dean Runyan Associates and Travel Lane County.



From 2007 to 2018, 28% of the participating TLT jurisdictions had a different existing, local TLT rate. In every instance of a changed existing rate, with the exception of the City of Hines, the jurisdiction increased its tax rates.

Exhibit 41 shows changes in local TLT rates, for cities and counties, by tourism region. Rates displayed are not inclusive of the state's existing tax rate of 1.8%. In addition, city and county rates displayed in Exhibit 41 are mutually exclusive. A rate listed for a city does not include the county's rate and a rate listed for a county does not include any city rate. To understand the total tax impact, one would need to combine the tax rates of all applicable taxing jurisdictions. The following provides two examples:

- The City of Astoria's local TLT rate is 11%. Astoria is located in Clatsop County and Clatsop County only imposes their 10.5% TLT rate in unincorporated areas of the county (i.e. on lodging facilities outside of cities).[18] The total tax on lodging facilities located in Astoria is 12.8% (city rate, plus the state rate).
- The City of Gresham's local TLT rate is 6%. Gresham is located in Multnomah County and Multnomah County imposes their 5.5% TLT in both unincorporated and incorporated areas of the county. The total tax on lodging facilities located in Gresham is 13.3% (city rate, plus the county rate, plus the state rate).

[18] Some county TLT rates are additive, meaning they are on top of a city-levied rate. Some counties levy two distinct rates (a rate that they impose in unincorporated areas and a rate that they impose in incorporated areas).

Exhibit 41. Change in Local TLT Levy Rates, Participating TLT Jurisdictions by Tourism Regions, FY 2003, FY 2007, and FY 2018

Data Source: Dean Runyan Associates and Travel Lane County.

Note: In instances where data is unavailable, ECONorthwest could not calculate a rate change from 2003 to 2018; this is represented with a dash.

Jurisdiction	Tax Rates			Rate Change (2003 to 2018)
	2003	2007	2018	
Central				
Bend	8.0%	9.0%	10.4%	2.4%
Deschutes County - Unincorporated	7.0%	7.0%	8.0%	1.0%
Jefferson County - Unincorporated	6.0%	6.0%	6.0%	0.0%
Madras	7.4%	9.0%	9.0%	1.6%
Metolius	6.0%	6.0%	6.0%	0.0%
Prineville	7.0%	8.5%	8.5%	1.5%
Redmond	7.5%	9.0%	9.0%	1.5%
Sisters	8.0%	8.0%	9.0%	1.0%
Coast				
Astoria	9.0%	9.0%	11.0%	2.0%
Brookings	6.0%	6.0%	6.0%	0.0%
Cannon Beach	6.0%	6.0%	8.0%	2.0%
Clatsop County - Unincorporated	7.0%	7.0%	10.5%	3.5%
Coos Bay	7.0%	7.0%	7.0%	0.0%
Depoe Bay	7.0%	8.0%	8.0%	1.0%
Dunes City	8.0%	8.0%	8.0%	0.0%
Gearhart	7.0%	7.0%	7.0%	0.0%
Gold Beach	6.0%	6.0%	7.0%	1.0%
Lincoln County	8.0%	8.0%	10.0%	2.0%
Lincoln City	8.0%	8.0%	9.5%	1.5%
Manzanita	7.0%	7.0%	9.0%	2.0%
Nehalem	*not available*	*not available*	9.0%	-
Newport	7.2%	9.5%	9.5%	2.3%
North Bend	7.0%	7.0%	7.0%	0.0%
Reedsport	6.2%	6.0%	6.0%	-0.2%
Rockaway Beach	7.0%	7.0%	10.0%	3.0%
Seaside	7.6%	8.0%	10.0%	2.4%
Tillamook	7.0%	9.0%	10.0%	3.0%
Tillamook - Incorporated	*not available*	*not available*	1.0%	-
Tillamook - Unincorporated	*not available*	*not available*	10.0%	-
Waldport	7.0%	7.0%	7.0%	0.0%
Warrenton	7.0%	9.0%	12.0%	5.0%
Yachats	7.0%	7.0%	9.0%	2.0%

Exhibit continued on following pages.

Jurisdiction	Tax Rates			Rate Change (2003 to 2018)
	2003	2007	2018	
Eastern				
Baker County	6.2%	7.0%	7.0%	0.8%
Burns	9.0%	9.0%	9.0%	0.0%
Condon	*not available*	*not available*	5.0%	-
Grant County	4.0%	8.0%	8.0%	4.0%
Heppner	5.0%	5.0%	5.0%	0.0%
Hermiston	5.8%	8.0%	8.0%	2.3%
Hines	7.0%	8.0%	7.0%	0.0%
La Grande	5.0%	5.0%	6.0%	1.0%
Milton-Freewater	*not available*	*not available*	8.0%	-
Ontario	8.0%	8.0%	9.0%	1.0%
Pendleton	7.8%	8.0%	8.0%	0.3%
Umatilla	2.0%	2.0%	3.5%	1.5%
Union County	3.0%	3.0%	3.0%	0.0%
Mt. Hood and Columbia River Gorge				
Cascade Locks	7.0%	7.0%	7.0%	0.0%
Hood River	8.0%	8.0%	8.0%	0.0%
The Dalles	7.1%	8.0%	8.0%	0.9%
Troutdale	7.0%	7.0%	7.0%	0.1%
Wood Village	6.0%	6.0%	6.0%	0.0%
Portland Region				
Beaverton	*not available*	*not available*	4.0%	-
Clackamas County	6.0%	6.0%	6.0%	0.0%
Fairview	6.0%	6.0%	6.0%	0.0%
Forest Grove	*not available*	*not available*	2.5%	-
Gresham	6.0%	6.0%	6.0%	0.0%
Hillsboro	*not available*	*not available*	3.0%	-
Multnomah County	5.5%	5.5%	5.5%	0.0%
Oregon City	4.0%	4.0%	6.0%	2.0%
Portland	6.0%	6.0%	8.0%	2.0%
Sandy	3.0%	3.0%	3.0%	0.0%
Scappoose	9.0%	9.0%	9.0%	0.0%
St. Helens	*no local rate*	*not available*	6.0%	100.0%
Tigard	*not available*	*not available*	2.5%	-
Tualatin	*not available*	*not available*	2.5%	-
Washington County	7.0%	9.0%	9.0%	2.0%

Exhibit continued on following page.

Jurisdiction	Tax Rates			Rate Change (2003 to 2018)
	2003	2007	2018	
Southern				
Ashland	7.0%	7.0%	9.0%	2.0%
Central Point	null	9.0%	9.0%	-
Grants Pass	9.0%	9.0%	9.0%	0.0%
Jacksonville	7.5%	9.0%	9.0%	1.5%
Klamath County	6.0%	6.8%	8.0%	2.0%
Lake County	6.0%	6.0%	6.0%	0.0%
Phoenix	6.0%	6.0%	6.0%	0.0%
Roseburg	8.0%	8.0%	8.0%	0.0%
Shady Cove	6.0%	6.0%	6.0%	0.0%
Sutherlin	5.0%	5.0%	8.0%	3.0%
Winston	5.0%	5.0%	7.0%	2.0%
Willamette Valley				
Albany	9.0%	9.0%	9.0%	0.0%
Coburg	*	*	*	
Corvallis	9.0%	9.0%	9.0%	0.0%
Cottage Grove	*	*	*	
Creswell	*	*	*	
Dallas	*not available*	*not available*	9.0%	-
Dundee	*not available*	*not available*	10.0%	-
Eugene	*	*	*	
Florence	*	*	*	
Junction City	*	*	*	
Keizer	6.0%	6.0%	6.0%	0.0%
Lane County	8.0%	8.0%	8.0%	0.0%
Lebanon	6.0%	6.0%	9.0%	3.0%
Lowell	*not available*	*not available*	*	-
McMinnville	*not available*	*not available*	10.0%	-
Monmouth	*not available*	9.0%	9.0%	-
Newberg	6.0%	6.0%	9.0%	3.0%
Oakridge	*	*	*	
Salem	9.0%	9.0%	9.0%	0.0%
Silverton	*not available*	*not available*	9.0%	-
Springfield	*	*	*	
Stayton	7.0%	7.0%	7.0%	0.0%
Sweet Home	6.0%	6.0%	6.0%	0.0%
Veneta	*	*	*	
Wilsonville	5.0%	5.0%	5.0%	0.0%

*** Notes: Cottage Grove, Eugene, Florence, and Springfield receive three of Lane County's eight percentage points, which is in addition to the jurisdictions' city-tax rate (Eugene and Springfield's city tax rate is 1.5% and Florence and Cottage Grove's city tax rate is 1%). The Cities of Coburg, Creswell, Junction City, Lowell, Oakridge, and Veneta do not have their own TLT rate but receive local TLT revenue from Lane County.**

Exhibit 42 shows the share of jurisdictions that changed or did not change their existing, local TLT rate between 2003 and 2018. Since 2003, and of the 101 participating jurisdictions, 51% did not change their existing TLT rate, 46% did change their existing TLT rate, and 3% were not sure if their rate had changed.

Since 2003, the Coast region had the largest share of jurisdictions (79%) with existing rate changes while the Mt. Hood/Gorge region had the smallest share (20%). In every instance of a rate change (between 2003 and 2018), with the exception of the City of Reedsport, the jurisdiction increased its tax rate.

Exhibit 42. Local TLT Levy Rates, Participating TLT Jurisdictions by Tourism Region, Since FY 2003

Source: ***Local Transient Lodging Tax: Expenditures and Administration*** **(2019), ECONorthwest.**

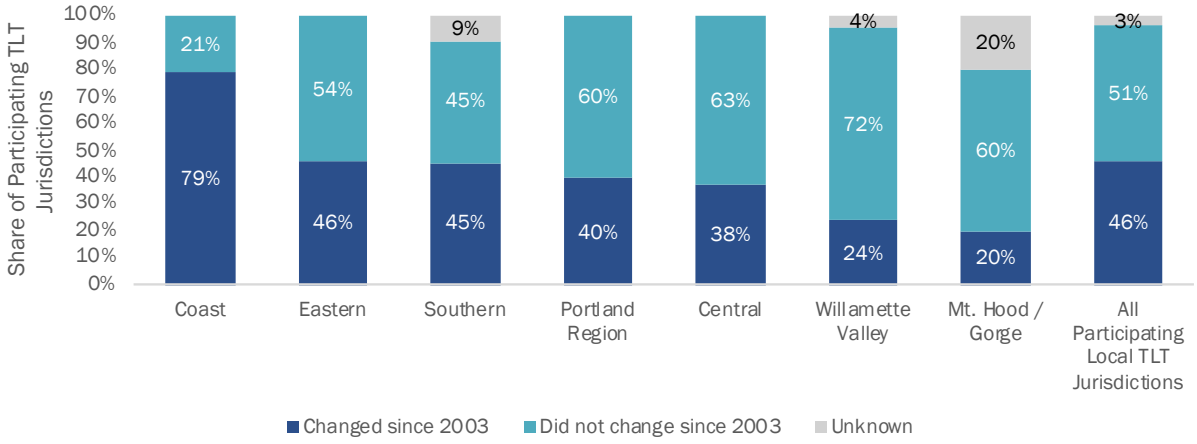
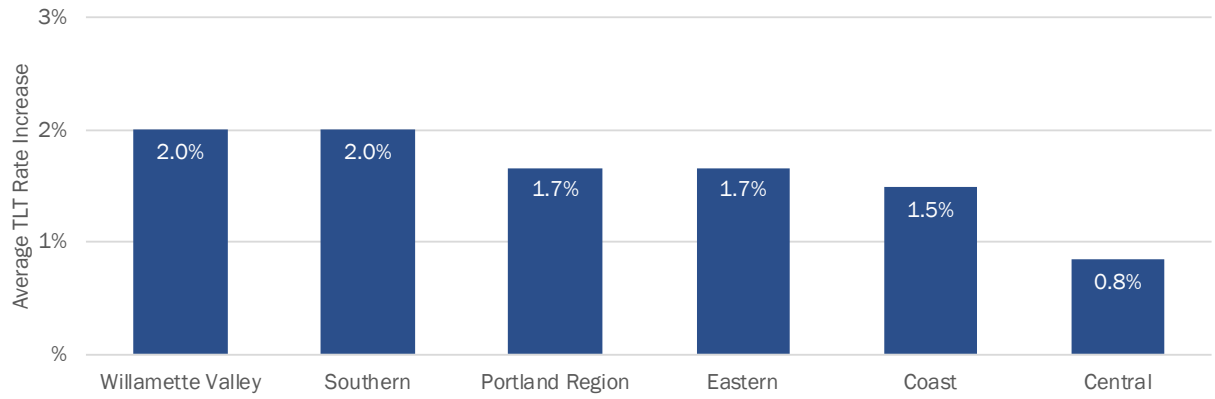


Exhibit 43 shows the average TLT levy rate change by tourism region (for participating TLT jurisdictions with rate changes between 2003 and 2018. On average, jurisdictions in the Willamette Valley and Southern regions had the highest rate increases at 2.0%. Jurisdictions in the Central region had the lowest average rate increases at 0.8%. On average overall, jurisdiction's existing, local rates increased by 1.5% between 2003 and 2018.

Exhibit 43. Average Increase in Local TLT Levy Rate, Participating TLT Jurisdictions (with Rate Change) by Tourism Region, FY 2003 to FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Note: Per interview responses from participating TLT jurisdictions in the Mt. Hood/Gorge region, only one City indicated changing its rate since 2003, but this jurisdiction did not provide data about the levy rate change.

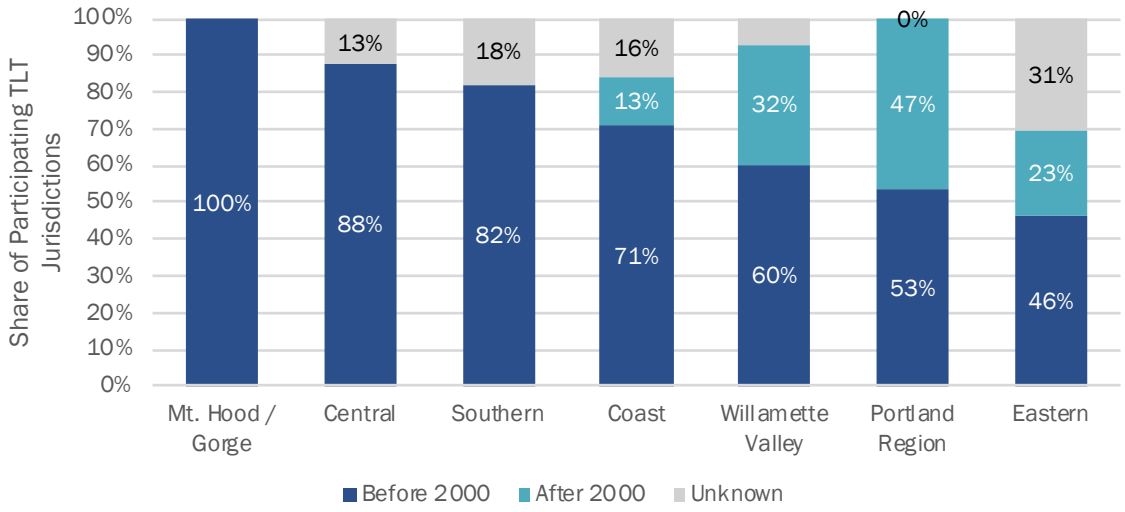


Implementation

Exhibit 44 shows the share of jurisdictions that implemented a TLT before and after 2000 by tourism region. The majority of jurisdictions implemented their TLT prior to 2000 (also see Exhibit 45). The Mt. Hood/Gorge, Central, and Southern regions comprise jurisdictions which were early implementors of TLT. The Portland Region had the greatest share of jurisdictions that implemented a TLT after 2000. For some jurisdictions, interviewees were unaware of when their jurisdiction implemented the TLT; these jurisdictions are listed as "unknown."

Exhibit 44. Implementation of Local TLT, Participating TLT Jurisdictions by Tourism Region, FY 2018

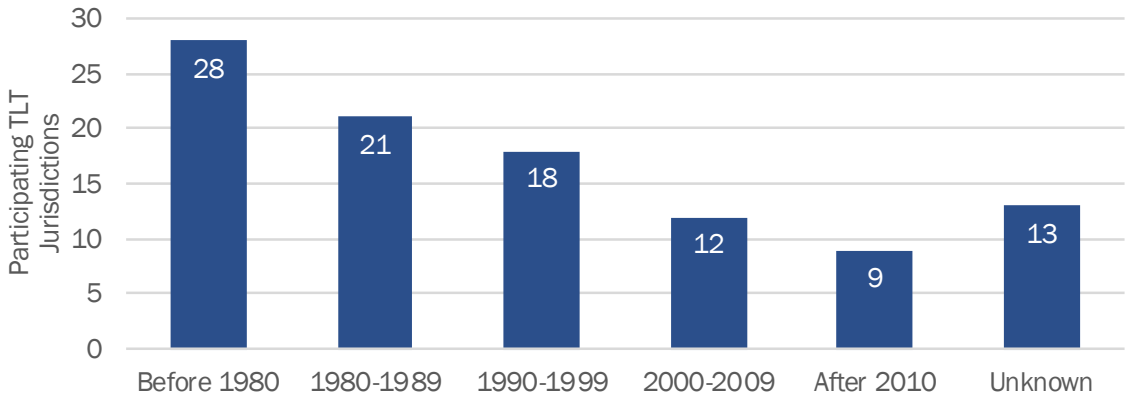
Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



Based on interview findings, the earliest implementors of a local TLT were Multnomah County, Washington County, Portland, and Troutdale (1972). Soon after in 1973, Lane County (unincorporated), Corvallis, and Creswell implemented a local TLT. Of the participating TLT jurisdictions, 28 jurisdictions implemented a TLT before 1980 (see Exhibit 45).

Exhibit 45. Implementation of Local TLT, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



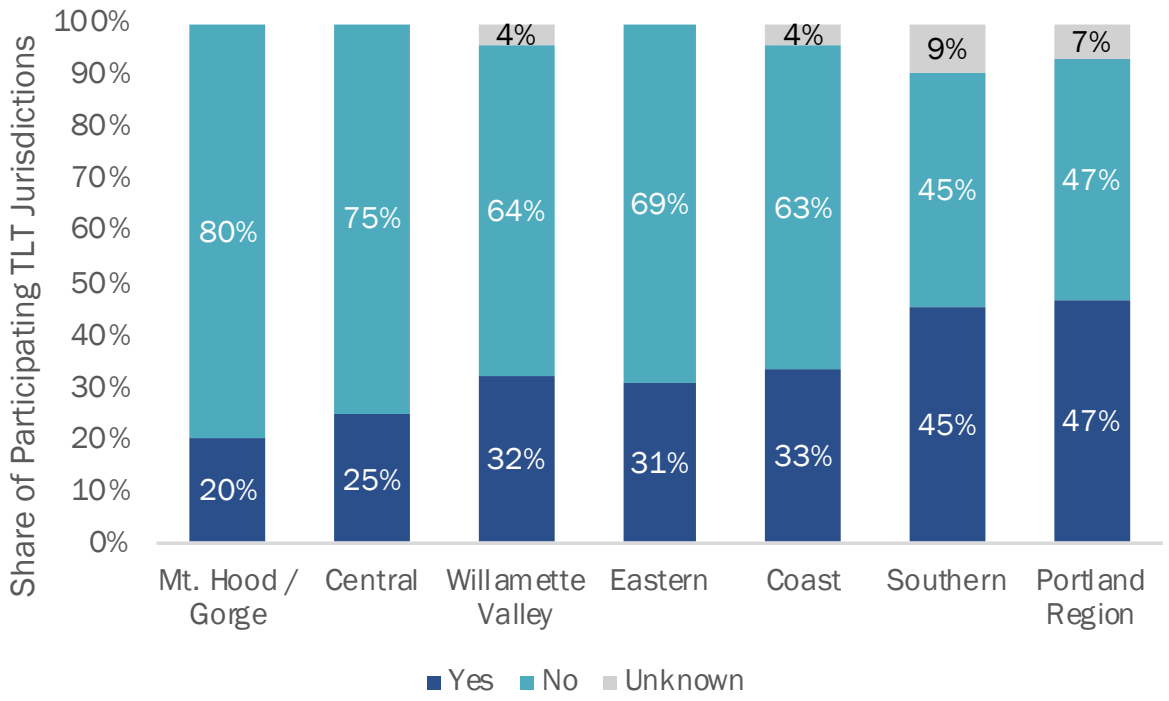
Revenue Collection and Sharing

TLT revenue collection practices vary between jurisdictions. This section describes some of the nuances between jurisdictions. ECONorthwest bases these findings solely on the information shared at interviews.

- **Some jurisdictions collected TLT revenue on other jurisdictions' behalf.** Baker County collected Baker City's TLT and Lane County collected Creswell's and Dunes City's TLT. The Grant County Chamber of Commerce administers Grant County's TLT and collects revenues for the County. The City of Eugene administers Springfield's, Florence's, Cottage Grove's, and Lane County's TLT collections, and retains a portion of the revenue. The City of Corvallis will administer Benton County's TLT, which went into effect July 1, 2019. The City of Portland collected TLT for Multnomah County if the lodging facility was within Portland's boundaries.
- **Most jurisdictions did not retain an administrative fee, but some did set aside TLT revenue to cover administrative costs.** In the 2017–2018 fiscal year, 61% of participating jurisdictions did not retain an administrative fee, 35% did retain an administrative fee, and 4% were not sure.
  - Exhibit 46 shows the share of jurisdictions that collected an administrative fee by tourism region. A greater share of jurisdictions in the Portland Region collected an administrative fee while the smallest share of jurisdictions in the Mt. Hood/Gorge region collected an administrative fee. Exhibit 47 shows that about $1.9 million was retained as administrative fees in the 2017–2018 fiscal year.
- **Most TLT jurisdictions collected TLT on short-term rentals (STRs) and vacation rentals.** In the 2017–2018 fiscal year, 78% of participating jurisdictions did collect TLT on STRs, 20% did not collect TLT on STRs, and 2% were not sure.

Exhibit 46. Jurisdictions which Retain Administrative Fees, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



Revenue retained for administration of TLT accounts for about 1% of all TLT revenue generated in the 2017–2018 fiscal year.

Exhibit 47. Retained Administrative Fee Amounts, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest. Note: Amount retained in administrative fees, is an aggregate of revenue retained by participating jurisdictions in each region.

Participating Jurisdictions by Regions	Amount Retained in Admin. Fees	Amount Retained (% of Total Revenue)
Mt. Hood/Gorge	$94,719	2.3%
Coast	$760,076	2.1%
Eastern	$42,525	1.3%
Southern	$97,265	1.0%
Central	$168,586	0.9%
Portland Region	$631,594	0.6%
Willamette Valley	$117,304	0.5%
Total	$1,912,069	0.9%

4. Conclusions

This study was a follow up to the 2008 Local Transient Lodging Tax Survey conducted by ECONorthwest for Travel Oregon. Its purpose was to better understand the overall economic impacts of the local transient lodging tax (TLT) by examining *how* local jurisdictions use the TLT revenue they generate, as well as how they impose their TLT.

ECONorthwest developed the key findings that follow through a series of interviews with participating cities and counties that levy a TLT. In fiscal year 2017-2018 (FY 2018), 120 jurisdictions had a local TLT. One hundred and one of these jurisdictions (84%) participated in this study via an interview survey, accounting for 97% of the local TLT revenue collected by all jurisdictions in that year.

The conclusions are representative of participating TLT jurisdictions, and not all jurisdictions that levy a local TLT:

- **Local TLT spending increased.** Local TLT spending increased from $77.2 million in FY 2007 to $232.9 million in FY 2018 (a $155.7 million increase or 202% change). Increased spending is consistent with the increase in local TLT revenues. Total revenues increased at a rate of 8% while total expenditures increased by a rate of 11% (FY 2007 to 2018)—see footnote for more information.[19]
- **Spending on tourism related activities versus non-tourism related activities was generally balanced.** In FY 2018, ECONorthwest coded 52% of program expenditures as tourism related and 47% of tourism expenditures as non-tourism related.[20]
  - Spending on **tourism-related facilities** accounted for the largest share (48%) of *tourism related* spending. It also accounted for a quarter of total, local TLT spending. About 83% of spending in this category went toward capital facility debt service (nearly $50 million). Of that $50 million, the City of Portland spent roughly $36 million on repayment of the convention center bond and Multnomah County deposited about $12.5 million into their visitor facilities account (which went toward activities such as repayment of the convention center, stadium, and convention center hotel bonds).
  - Spending on **general services** accounted for the largest share (77%) of *non-tourism* related spending. It also accounted for 36% of total, local TLT spending. A majority

[19] The difference in growth rates for revenues versus expenditures could be due to several reasons. For example, Dean Runyan Associates provided revenue data while individual TLT jurisdictions reported expenditure details via interviews. While jurisdictions could have provided partial, estimated, or rounded expenditure amounts, ECONorthwest did not audit differences. The analysis assumes accuracy in interview responses and Dean Runyan Associates data. It is additionally possible that jurisdictions spent TLT revenues from previous years in FY 2018 (i.e. revenues carried over to FY 2018).

[20] ECONorthwest coded the balance of expenditures (1%) as "other."

of spending in the general services category (about $65 million), was General Fund allocated.

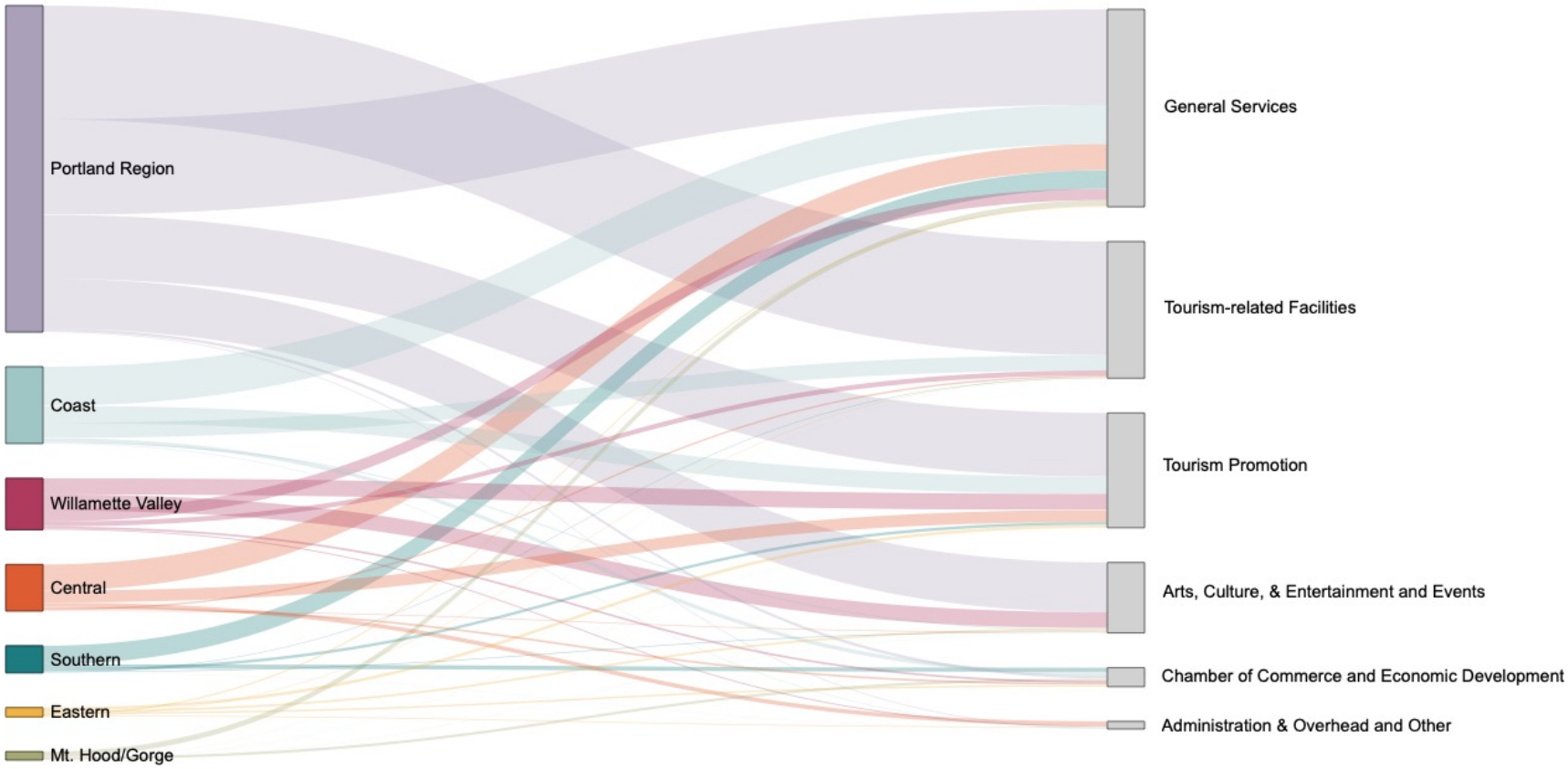
- **Consistent with findings from FY 2007, jurisdictions spent most of their local TLT revenues on general services, tourism-related facilities, or tourism promotion.** The following summarizes spending in each of the nine program categories:
  - **General services:** Spending on general services accounted for $84.2 million or 36% of TLT spending in fiscal year 2018, down from 39% in 2007. Other than funds deposited into jurisdictions' General Funds (accounting for 78% of spending in this category), spending in this category went to a range of jurisdiction-wide needs such as law enforcement, transportation, parks and recreation maintenance, etc.
  - **Tourism-related facilities**: Spending on tourism-related facilities accounted for $58.3 million or 25% of TLT revenues in 2018, down from 29% in 2007. While repayment of capital facility debt service accounted for the largest share of tourism-related facility spending (see description above), jurisdictions most frequently spent local TLT revenues on operations and maintenance of tourism-related facilities (amounting to nearly $5 million in aggregate).
  - **Tourism promotion:** Spending on tourism promotion accounted for $49 million in 2018 or 21% of TLT revenues, up from 18% in 2007. While some jurisdictions described specific marketing activities (e.g. social media/websites, promotion of events, etc.), most jurisdictions simply reported "tourism promotion" as the general program activity.
  - **Arts, culture, and entertainment:** Spending in this category accounted for $20.9 million in 2018 or 9%, up from 6% in 2007. Public art activities accounted for the largest share of spending in this category (over $19 million), followed by spending on museums (about $1 million).
  - **Events:** Spending on events accounted for $9.1 million or 4% in 2018, up from 1% of spending in 2007. Funds in this category supported community events, annual fairs and County Fairgrounds, festivals, Fourth of July celebrations, parades, and more. Compared to other program categories, spending on events from 2007 to 2018 changed the most (1630% change).
  - **Chambers of Commerce:** Spending on chambers of commerce accounted for $4 million or 2% in 2018. Similarly, spending on commerce activities accounted for 2% of total TLT spending in 2007. About 77% of funds allocated to Chambers of Commerce was spent on general marketing and promotion activities as well as Visitor Center operations/maintenance.
  - **Economic development:** Spending on economic development accounted for $4.1 million or 2% in 2018, down from 5% in 2007. A majority of spending in this category went toward grants and beautification projects (about 56% of total spending in this category, or $2.3 million).

- **Administration and overhead:** Spending on administration accounted for $1.2 million or 1% in 2018, up from 0.4% in 2007.
- **Other:** Use of local TLT revenues that did not fit into the other categories (e.g. ending fund balances) accounted for $2.1 million or 1% in 2018. Similarly, spending in this category accounted for 1% of total, local TLT spending in 2007.

- **Spending varied among regions.** To describe the variations, ECONorthwest assessed nominal spending and the distribution of spending as a percentage of all local TLT spending by region. Exhibit 48 and the following summarizes:
  - In nominal dollars, the Portland Region spent the most local TLT dollars in the categories of (1) tourism-related facilities; (2) tourism promotion; (3) general services; (4) economic development; and (5) arts, culture, and entertainment. Of the four remaining categories, the Willamette Valley spent the most in the categories of events and administration/overhead. Southern region and Mt. Hood/Gorge allocated the most money to Chambers of Commerce. Central region spent the most in the category of "other."
  - As a percent of local TLT expenditures by region, Southern (69%), Mt. Hood/Gorge (65%), Central (62%), and the Coast (51%) spent the largest share of their local TLT revenues on general services. The Portland Region spent the largest share of their revenues on tourism-related facilities (36%). The Willamette Valley (35%) and Eastern region (34%) spent the largest share of their revenues on tourism promotion.
- **Local TLT levy rates increased over time.** Almost half of participating TLT jurisdictions increased their TLT levy rate since 2003, and only one jurisdiction (Reedsport) decreased their TLT levy rate. The average levy rate increase was 1.5% between 2003 and 2018. In 2007, 22% of participating jurisdictions had a TLT rate of 9% or more, and by 2018, 38% of participating jurisdictions had a TLT rate of 9% or more.
- **Local TLT revenues increased over time.** According to estimates from Dean Runyan Associates and Travel Lane County, from 2007 to 2018, local TLT revenue increased in all participating jurisdictions (North Bend being the only exception). In that time, revenues increased over $100 million (128%). Aggregated at the regional level, revenues increased by about $67 million in the Portland Region and nearly $20 million in the Coast region. In contrast, revenues increased by about $620,500 in Eastern Oregon.
- **Per capita TLT revenues was generally the largest for jurisdictions in the Coast.** In FY 2018, jurisdictions in the Coast region averaged $231 of local TLT revenue per capita, compared to jurisdictions in the Willamette Valley region (averaging $47 per capita). Revenue per capita more than doubled for jurisdictions in the Coast, Central, Mt. Hood/Gorge, and the Portland regions.

Exhibit 48. Diagram of Local TLT Program Expenditures, Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



Note: ECONorthwest combined the program category "arts, culture, and entertainment" with "events," "Chamber of Commerce" with "economic development," and "administration and overhead" with "other."

Appendix A: Interview Questionnaire

This appendix presents the *Local Transient Lodging Tax: Expenditures and Administration* (2019) interview questions that ECONorthwest used to collect information presented in the main report.

Interview Questionnaire

EXPENDITURES

1. What was your jurisdiction's total, actual revenue expenditure in FY2017–2018?
2. What was your jurisdiction's total expenditures for all TLT funds spent in FY2017–2018?

TLT ADMINISTRATION

3. What is your jurisdiction's current transient lodging tax rate (excluding the 1.8% state lodging tax)?
4. Does your jurisdiction collect transient lodging tax for short-term rentals, such as AirBnB or VRBO?
5. What year did the jurisdiction first impose the local transient lodging tax?
6. Has your jurisdiction changed the TLT rate since 2003?
    a. If the rate has changed since 2003, what was the previous rate? And what was the date of change?
7. Does the jurisdiction retain an administrative fee for collection and administration of TLT?
    a. If yes, how much is retained (dollars)?

PROGRAMS

8. Please describe your jurisdiction's programs financed with monies appropriated from local TLT revenue in FY 2017–2018. *Note: for each program, jurisdictions were asked to answer:*
    a. What amount was allocated to the program?
    b. What activities were supported through the program?

Appendix B: Program Activity Spending by Tourism Region

Cities and counties in Oregon spend their local transient lodging tax (TLT) revenues in a variety of ways. The exhibits that follow present the details, or activities, of local TLT spending by tourism region (grouped by program category) for the 2017-2018 fiscal year. Each program category is displayed as an individual exhibit and activities are summarized generally.

TOURISM-RELATED FACILITIES

The Portland Region spent a substantial amount of local TLT revenue in the tourism-related facility program category. Jurisdictions in Central, Eastern, Mt. Hood/Gorge, and Southern regions did not frequently spend local TLT revenues in this program category.

Exhibit A 1. Detailed Local TLT Expenditures for Tourism-Related Facility Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	1	$694,654	1%
Operations/Maintenance - Facilities	1	$694,654	100%
Coast	12	$6,438,150	11%
Operations/Maintenance - Facilities	9	$3,725,533	58%
Grants	2	$2,549,660	40%
Capital Project - Boating Facility	1	$162,957	3%
Eastern	1	$248,886	0.4%
Pool Construction Bond	1	$248,886	100%
Mt. Hood and Columbia River Gorge	1	$50,000	0.1%
Set Aside Revenue for Capital Project	1	$50,000	100%
Portland Region	5	$50,300,309	86%
Capital Facility Debt Service	2	$48,500,000	96.4%
Capital Project Event Center	1	$1,454,000	2.9%
Operations/Maintenance - Facilities	1	$296,309	0.6%
Capital Project - Interactive Elevator	1	$50,000	0.1%
Southern	1	$239,101	0.4%
Acquisition of Tourism Facility	1	$239,101	100%
Willamette Valley	4	$341,000	1%
Operations/Maintenance - Facilities	2	$236,000	69%
Capital Project - Expo Center	1	$100,000	29%
Grants	1	$5,000	1%
Total	25	$58,312,100	100%

TOURISM PROMOTION

Jurisdictions in the Coast and Willamette Valley regions more frequently spent local TLT revenues on tourism promotion activities.

Exhibit A 2. Detailed Local TLT Expenditures for Tourism Promotion Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	4	$5,086,171	10%
General	2	$3,013,200	59%
Social Media/Websites	1	$2,064,221	41%
Promotion of Tourism Facility	1	$8,750	0.2%
Coast	24	$7,284,248	15%
General	21	$6,961,763	96%
Undesignated	1	$277,485	4%
Grants	1	$25,000	0.3%
Promotional Video	1	$20,000	0.3%
Eastern	11	$1,212,593	2%
General	8	$671,331	55%
Promotion of Events	1	$515,483	43%
Promotion of Tourism Facility	1	$20,000	2%
Social Media/Websites	1	$5,779	0.5%
Mt. Hood and Columbia River Gorge	1	$66,013	0%
General	1	$66,013	100%
Portland Region	7	$27,212,149	56%
General	4	$24,577,075	90%
Social Media/Websites	1	$2,025,741	7%
Mobile Kiosk	1	$475,581	2%
Professional Services	1	$133,752	0.5%
Southern	6	$1,231,397	3%
General	5	$1,201,590	98%
Grants	1	$29,807	2%
Willamette Valley	23	$6,872,481	14%
General	16	$6,422,989	93%
Promotion of Tourism Facility	1	$289,220	4%
Grants	4	$70,660	1%
Professional Services	1	$60,000	1%
Promotion of Events	1	$29,612	0.4%
Total	76	$48,965,052	100%

ARTS, CULTURE, AND ENTERTAINMENT

Jurisdictions in the Portland Region spent a substantial amount of local TLT revenues on arts, culture, and entertainment. With the exception of Central region, spending on museums and/or public art initiatives were common activities to spend local TLT revenues on in this program category.

Exhibit A 3. Detailed Local TLT Expenditures for Arts, Culture, and Entertainment Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	1	$6,000	0.0%
Sister City Program	1	$6,000	100%
Coast	4	$347,841	2%
Aquarium	1	$246,373	71%
Museum	1	$68,968	20%
Public Art	1	$25,000	7%
Sister City Program	1	$7,500	2%
Eastern	4	$40,203	0.2%
Public Art	1	$18,648	46%
Aquatic Center	1	$9,955	25%
Museum	1	$6,600	16%
Boy Scouts	1	$5,000	12%
Mt. Hood and Columbia River Gorge	3	$32,500	0.2%
Museum	2	$25,000	77%
Sister City Program	1	$7,500	23%
Portland Region	2	$19,000,699	91%
Public Art	2	$19,000,699	100%
Southern	1	$195,560	1%
Museum	1	$195,560	100%
Willamette Valley	9	$1,232,822	6%
Museum	3	$802,170	65%
Historic Buildings	1	$300,000	24%
Public Art	2	$94,910	8%
Trolley Rides	1	$20,300	2%
Historic Building Tours	1	$15,142	1%
Fine Arts	1	$300	0.02%
Total	24	$20,855,625	100%

EVENTS

In nominal dollars, the Willamette Valley spent a substantial amount of local TLT dollars in this program category, followed by the Portland Region and Eastern region. Jurisdictions in several regions (Coast, Southern, and Willamette Valley) reallocated local TLT revenues to the community through grants to support events that draw in tourists and visitors.

Exhibit A 4. Detailed Local TLT Expenditures for Events Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	4	$292,500	3%
Solar Eclipse	2	$149,000	51%
County Fair	1	$142,500	49%
Community Event(s)	1	$1,000	0.3%
Coast	7	$144,166	2%
Community Event(s)	3	$79,963	55%
Grants for Events that Support Tourism	1	$50,000	35%
Parade	1	$11,203	8%
4th of July	1	$3,000	2%
Multi-Day Events	1	unknown	-
Eastern	3	$793,761	9%
Community Event(s)	2	$411,544	52%
Multi-Day Events	1	$382,217	48%
Mt. Hood and Columbia River Gorge	3	$31,630	0.3%
4th of July	1	$25,000	79%
Community Concert Series	1	$5,000	16%
Farmer's Market	1	$1,630	5%

Note: Exhibit continues on the following page.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Portland Region	7	$2,235,398	24%
County Fair	2	$1,972,345	88%
Community Event(s)	2	$212,485	10%
Community Concert Series	1	$25,056	1%
4th of July	1	$24,813	1%
Festival	1	$699	0.03%
Southern	5	$121,859	1%
Community Event(s)	2	$57,514	47%
County Fair	1	$45,290	37%
Grants for Events that Support Tourism	1	$18,805	15%
Gala Table Sponsorship	1	$250	0.2%
Willamette Valley	11	$5,565,577	61%
Community Event(s)	3	$5,304,562	95%
Festival	2	$156,950	3%
Event Support - Public Safety	3	$53,400	1%
Grants for Events that Support Tourism	1	$47,240	1%
Parade	1	$3,100	0.1%
County Fair	1	$325	0.01%
Total	40	$9,184,891	100%

CHAMBERS OF COMMERCE

With the exception of jurisdictions in the Portland Region, many jurisdictions allocate a share of their local TLT revenues to the local Chambers of Commerce. Most commonly, Chambers of Commerce spend a share of these dollars on marketing and promotional initiatives.

Exhibit A 5. Detailed Local TLT Expenditures for Chambers of Commerce Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	5	$793,634	20%
Marketing and Promotion	2	$537,815	68%
Undesignated	2	$191,556	24%
Multimedia Equipment	1	$64,263	8%
Coast	8	$653,463	16%
Marketing and Promotion	5	$417,509	64%
Undesignated	2	$187,000	29%
Visitor Center	1	$48,954	7%
Eastern	11	$574,463	14%
Marketing and Promotion	5	$303,306	53%
Visitor Center	1	$174,466	30%
Undesignated	3	$56,472	10%
Events	1	$20,309	4%
Facilities	1	$19,910	3%
Mt. Hood and Columbia River Gorge	3	$816,529	20%
Marketing and Promotion	2	$572,685	70%
Visitor Center	1	$243,844	30%
Southern	5	$816,602	20%
Visitor Center	1	$580,368	71%
Special Projects	1	$117,500	14%
Undesignated	1	$87,943	11%
Marketing and Promotion	1	$28,141	3%
Business Promotion	1	$2,650	0.3%
Willamette Valley	8	$380,369	9%
Marketing and Promotion	2	$159,104	42%
Grants	1	$80,000	21%
Visitor Center	2	$57,500	15%
Events	1	$44,765	12%
Facilities	1	$35,000	9%
Undesignated	1	$4,000	1%
Total	40	$4,035,060	100%

ECONOMIC DEVELOPMENT

In nominal dollars, the Portland, Southern, and Coast regions spent the most in this program category.

Exhibit A 6. Detailed Local TLT Expenditures for Economic Development Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	2	$42,000	1%
Grants	1	$31,000	74%
Special Projects	1	$11,000	26%
Coast	13	$980,449	24%
Capital Projects	1	$479,550	49%
Beautification	3	$178,209	18%
Bike/Ped Pathway	3	$146,232	15%
Business Development/Retention	1	$103,000	11%
Downtown Development	1	$35,668	4%
Professional Services	2	$20,250	2%
Purchase/appraisal of property	1	$17,000	2%
Workforce Resources	1	$540	0.1%
Eastern	5	$134,874	3%
Park Project	1	$69,718	52%
Professional Services	1	$40,730	30%
Downtown Development	1	$20,000	15%
Grants	1	$2,500	2%
Main Street Initiatives	1	$1,926	1%
Mt. Hood and Columbia River Gorge	4	$239,988	6%
Beautification	2	$165,388	69%
Main Street Initiatives	1	$40,000	17%
Park Project	1	$34,600	14%

Note: Exhibit continues on the following page.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Portland Region	2	$1,212,555	30%
Grants	1	$1,182,484	98%
Undesignated	1	$30,071	13%
Southern	8	$980,547	24%
Beautification	3	$441,467	45%
Downtown Development	2	$212,559	22%
Business Development/Retention	1	$179,172	18%
Undesignated	2	$147,349	15%
Willamette Valley	10	$481,239	12%
Beautification	3	$248,059	52%
Professional Services	1	$145,235	30%
Main Street Initiatives	1	$50,891	11%
Workforce Resources	1	$22,000	5%
Grants	3	$12,554	3%
Covered Bridge Maintenance	1	$2,500	1%
Total	44	$4,071,652	100%

GENERAL SERVICES

For most regions, spending in the program category of general services was substantial. Across every region, jurisdictions allocated a large share of local TLT dollars to General Funds.

Exhibit A 7. Detailed Local TLT Expenditures for General Services Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	15	$11,186,018	13%
General Fund	4	$7,479,540	67%
Law Enforcement / Public Safety	3	$3,348,910	30%
Emergency Preparedness / Services	1	$192,000	2%
Parks and Recreation Maintenance	4	$128,836	1%
Capital Project - Office Building	1	$26,922	0.2%
Operations/Maintenance - Facilities	1	$8,000	0.1%
Environmental	1	$1,810	0.0%
Coast	38	$16,647,460	20%
General Fund	9	$7,129,574	43%
Transportation	6	$3,721,651	22.4%
Operations/Maintenance - Facilities	3	$1,695,528	10.2%
Law Enforcement / Public Safety	4	$1,438,653	9%
Parks and Recreation Maintenance	2	$1,197,496	7.2%
Debt Service	1	$681,646	4%
Operations	2	$281,449	1.7%
Parks and Recreation	1	$116,700	0.7%
Undesignated	2	$97,060	0.58%
Fairgrounds	1	$66,581	0%
Grant	1	$63,402	0%
Emergency Preparedness	1	$52,120	0%
Emergency Preparedness / Services	2	$52,000	0%
Capital Project - City Hall Remodel	1	$50,413	0%
Accessibility	2	$3,187	0%
Eastern	7	$573,169	1%
Transportation	2	$267,308	47%
General Fund	2	$178,180	31%
Parks and Recreation Maintenance	1	$108,780	19%
Law Enforcement / Public Safety	1	$12,901	2%
Grant	1	$6,000	1%

Note: Exhibit continues on the following page.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Mt. Hood and Columbia River Gorge	12	$2,308,506	3%
General Fund	3	$2,200,638	95%
Operations	2	$57,000	2.5%
Youth Program	3	$29,368	1.3%
Transportation	1	$10,000	0.4%
Emergency Preparedness / Services	1	$9,000	0%
Grant	2	$2,500	0%
Portland Region	6	$40,682,313	48%
General Fund	5	$40,309,362	99%
Operations	1	$372,951	1%
Southern	13	$7,948,379	9%
General Fund	2	$5,532,190	70%
Fairgrounds	1	$942,695	12%
Undesignated	2	$686,976	9%
Parks and Recreation Maintenance	2	$284,763	4%
Law Enforcement / Public Safety	1	$239,101	3%
Grant	1	$228,154	3%
Emergency Preparedness / Services	2	$33,250	0.4%
Publications	2	$1,250	0.0%
Willamette Valley	16	$4,849,067	6%
General Fund	9	$2,434,965	50%
Parks and Recreation Maintenance	3	$2,169,475	44.7%
Operations	1	$130,851	3%
Infrastructure	1	$98,797	2%
Accessibility	1	$13,335	0%
Undesignated	1	$1,644	0.03%
Total	107	$84,194,912	100%

ADMINISTRATION AND OVERHEAD

With the exception of the Mt. Hood/Gorge region, jurisdictions in every region spent some local TLT revenue on TLT administration and overhead. In nominal dollars, the Willamette Valley region spent the most in this program category (nearly $400,000).

Exhibit A 8. Detailed Local TLT Expenditures for Administration and Overhead Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	2	$150,181	13%
Administrative Services	2	$150,181	100%
Coast	4	$242,344	21%
Administrative Services	2	$176,344	73%
Auditing	1	$40,000	17%
Room Operators	1	$26,000	11%
Eastern	2	$34,148	3%
Administrative Services	2	$34,148	100%
Portland Region	5	$317,392	27%
Administrative Services	4	$262,392	83%
Auditing	1	$55,000	17%
Southern	2	$35,241	3%
Administrative Services	2	$35,241	100%
Willamette Valley	5	$391,044	33%
Administrative Services	4	$384,810	98%
Room Operators	1	$6,234	2%
Total	20	$1,170,350	100%

OTHER

Spending of local TLT dollars (or lack thereof) in the "other" program category was relatively small—with the exception of the Central region (where one jurisdiction allocated a relatively large amount of local TLT dollars to a reserve fund).

Exhibit A 9. Detailed Local TLT Expenditures for Other Programs, Participating TLT Jurisdictions by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.

Activities by Program Purpose and Region	Programs	Expenditures	Share of Total Expenditures
Central	1	$1,621,178	79%
Reserves	1	$1,621,178	100%
Coast	1	$6,843	0.3%
Credit Card Processing Fee	1	$6,843	100%
Eastern	2	$337,228	16%
Ending Balance	1	$337,117	100%
Refund of Overpayment	1	$111	0.03%
Portland Region	1	$18,000	1%
Reserves	1	$18,000	100%
Willamette Valley	2	$79,648	4%
Loan Payment	1	$62,000	78%
Ending Balance	1	$17,648	22%
Total	7	$2,062,897	100%