

# HOW ARE LOCAL TRANSIENT LODGING TAXES SPENT IN OREGON?

The State of Oregon allows municipalities to charge a lodging tax on hotels, bed-and-breakfasts, motels, campgrounds, vacation rental operators, and other facilities that provide lodging on a transient basis. In 2018, local transient lodging taxes generated more than \$200 million dollars across the state, up from \$90 million in 2007.\* To better understand the overall economic impacts of the local transient lodging tax (TLT), this study examined how local jurisdictions used the TLT revenue they generated, as well as how they imposed their TLT. At the time of the study, 120 jurisdictions received revenue from a local TLT and 101 of these jurisdictions (84%) participated in the project by completing surveys via interviews. This summary presents the key findings of the report.

*\* Unless otherwise noted, findings presented in this summary represent local jurisdictions (cities and counties) that participated in the project. Every jurisdiction did not participate, but those that did accounted for 97% of the total, local transient lodging tax revenue collected in fiscal year 2017-2018 (FY 2018).*

**101**

Number of cities and counties that participated in an interview

**\$233M**

Total expenditures (FY 2018)

**\$156K**

Change in total expenditures that local transient lodging tax revenue is used for (FY 2007 to FY 2018)

**4**

Average number of programs per jurisdiction that transient lodging tax revenue is used for

**\$608K**

Average program expenditure per jurisdictions

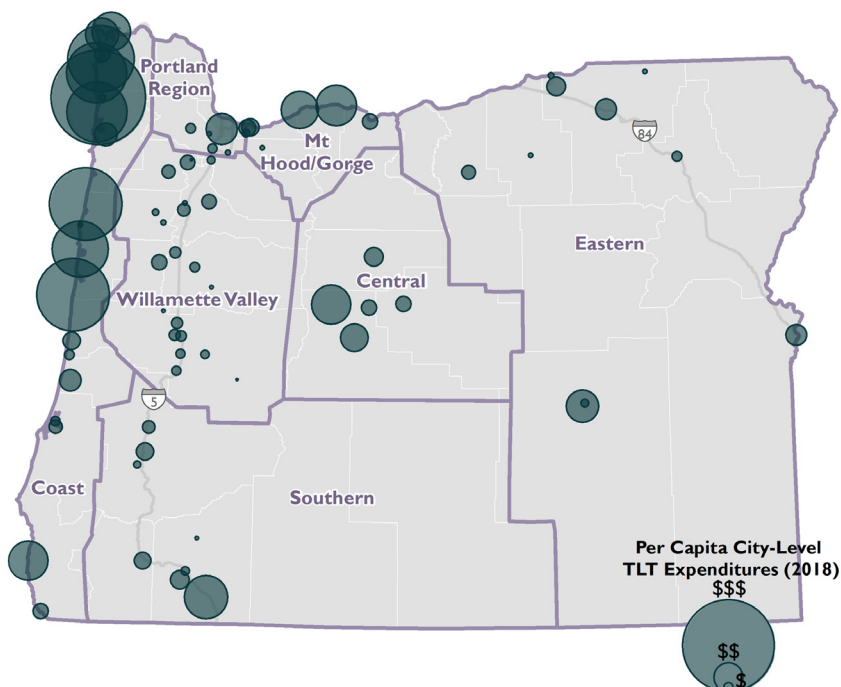
## LOCAL TRANSIENT LODGING TAX SPENDING PER CAPITA, PARTICIPATING CITIES WITH A TRANSIENT LODGING TAX, FY 2018

Local transient lodging tax spending per capita averaged \$29 for counties and \$67 for cities in Oregon.

Read the full report at:  
<https://industry.traveloregon.com/resources/research/local-transient-lodging-tax-expenditures-and-administration-report/>

TRAVEL  OREGON

This summary was created by ECONorthwest for the Oregon Tourism Commission (dba Travel Oregon).

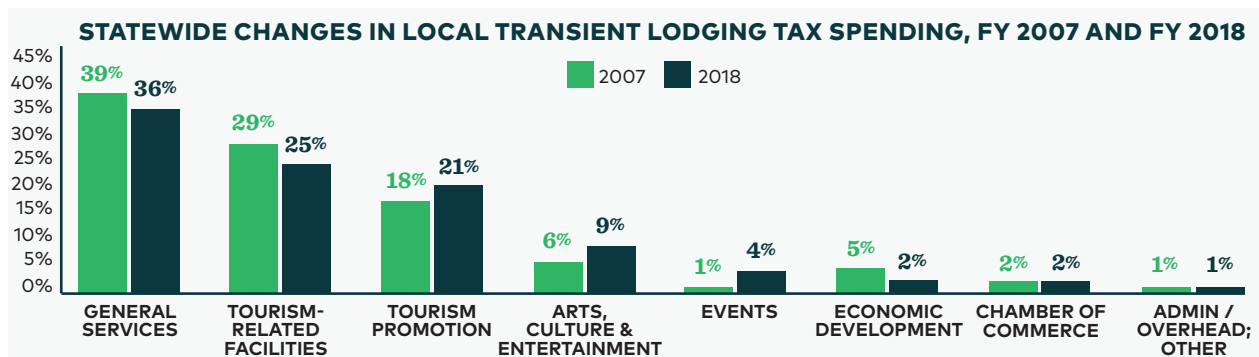


## WHAT ARE CITIES & COUNTIES SPENDING LOCAL TRANSIENT LODGING TAX REVENUE ON?

In 2018, about 82% of local transient lodging tax spending was used for general services, tourism-related facilities and tourism promotion (down from 86% in 2007). Nominal spending increased in all program categories between FY 2007 and FY 2018.

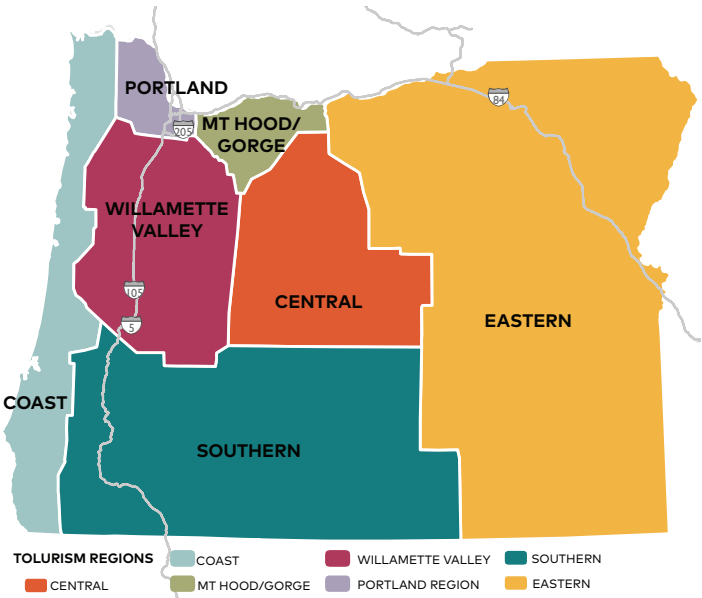
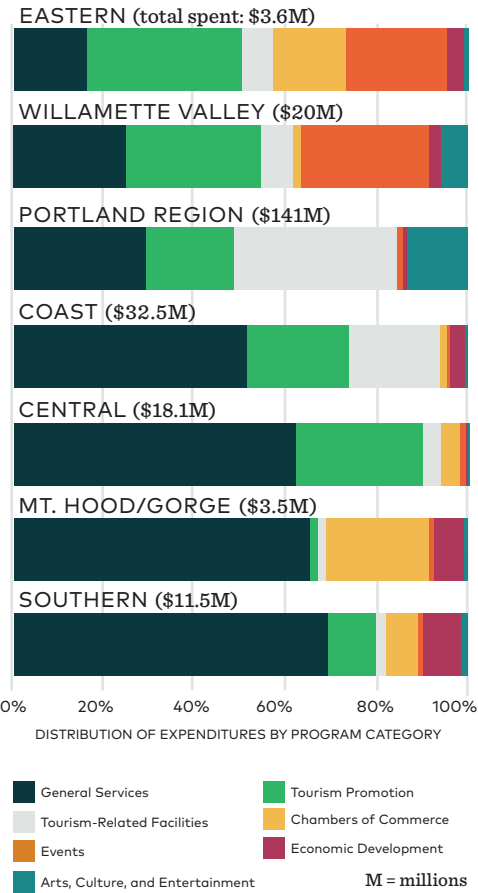
	SPENDING IN FY 2007	SPENDING IN FY 2018	% CHANGE IN SPENDING	NOTES FOR FY 2018
GENERAL SERVICES	\$30.1M	\$84.2M	\$54M (179%)	78% of spending in this category (\$65M) was allocated to jurisdictions' general funds. Spending also went toward public safety, transportation infrastructure, parks and recreation, and other public services/projects.
TOURISM-RELATED FACILITIES	\$22.4M	\$58.3M	\$36M (161%)	83% of spending in this category (\$49M) went toward capital facility debt service in the Portland Region. Spending also went toward operations/maintenance of tourism-related facilities and capital projects like boating facilities and event centers.
TOURISM PROMOTION	\$13.9M	\$49M	\$35.1M (253%)	88% of spending in this category (\$43M) went toward general promotion and marketing initiatives. Spending also went toward social media, website maintenance, and grants for tourism promotion.
ARTS, CULTURE, & ENTERTAINMENT	\$4.4M	\$20.9M	\$16.5M (374%)	92% of spending in this category (\$19M) went toward public art initiatives. Spending also went toward museums and recreation facilities.
EVENTS	\$531K	\$9.2M	\$8.7M (1,630%)	66% of spending in this category (\$6M) went toward community events, such as movies in the park and holiday celebrations. Spending also went toward county fairs, parades and festivals, and grants for events that support tourism.
ECONOMIC DEVELOPMENT	\$3.5M	\$4.1M	\$564K (16%)	30% of spending in this category (\$1.2M) went back into communities as grants. Spending also went toward activities such as beautification efforts, Main Street initiatives, downtown development, and professional services.
CHAMBERS OF COMMERCE	\$1.3M	\$4M	\$2.7M (201%)	<i>This category represents revenues allocated to Chambers of Commerce across the state.</i> 50% of spending in this category went toward chambers' promotion and marketing initiatives for a variety of purposes. Spending also went toward visitor centers, events and facilities.
ADMINISTRATION & OVERHEAD, OTHER	\$978K	\$3.2M	\$2.3M (231%)	51% of spending in this category went into reserve funds. Spending also went toward administrative services, audits, and other misc. needs like credit card processing fees.

<b>TOTALS</b>	<b>\$77,148,300</b> (281 programs)	<b>\$232,852,539</b> (383 programs)	<b>\$155,704,239</b> (202%)	M = millions
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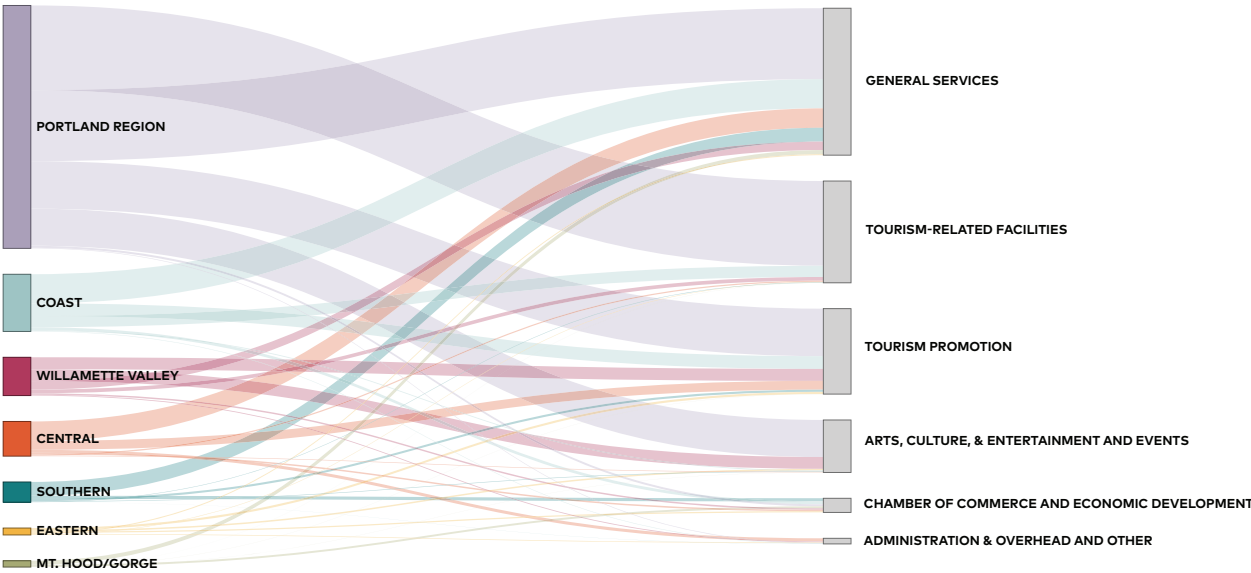
# HOW DID SPENDING VARY BY TOURISM REGION?

## COMPARISON OF PROGRAM SPENDING (SHARE OF TOTAL) BY TOURISM REGION, FY 2018



- Southern, Mt. Hood/Gorge, Central, and the Coast spent more than half of their transient lodging tax 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 (35% and 20%, respectively).
- With the exception of the Portland Region (14%) most regions did not spend a large share of their transient lodging tax revenues on arts, culture, and entertainment.

## DIAGRAM OF TOTAL, LOCAL TRANSIENT LODGING TAX SPENDING (NOMINAL DOLLARS) BY TOURISM REGION, FY 2018

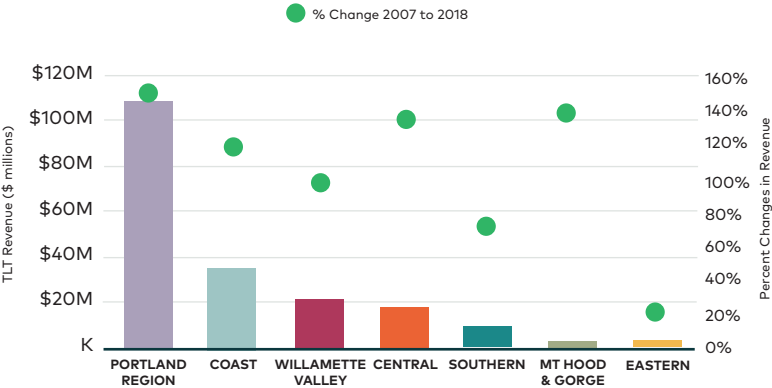


REVENUES

CHANGE IN LOCAL TRANSIENT LODGING TAX REVENUES BY TOURISM REGIONS, FY 2007 & FY 2018

		TLT COLLECTIONS				CHANGE IN REVENUE 2007 TO 2018		
		2007		2018				
REGION	# OF CITIES & COUNTIES	REVENUE	% OF TOTAL	REVENUE	% OF TOTAL	AMOUNT	%	SHARE
Portland Region	15	\$44,173,957	49%	\$110,955,343	54%	\$66,781,386	151%	4.9%
Coast	24	\$16,262,496	18%	\$35,795,436	18%	\$19,532,940	120%	-0.7%
Willamette Valley	25	\$11,227,576	13%	\$22,262,362	11%	\$11,034,786	98%	-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	\$89,507,983	100%	\$204,474,421	100%	\$114,966,438	128%	-

LOCAL TRANSIENT LODGING TAX REVENUES BY TOURISM  
REGION IN 2018 & PERCENT CHANGE BETWEEN 2007 & 2018



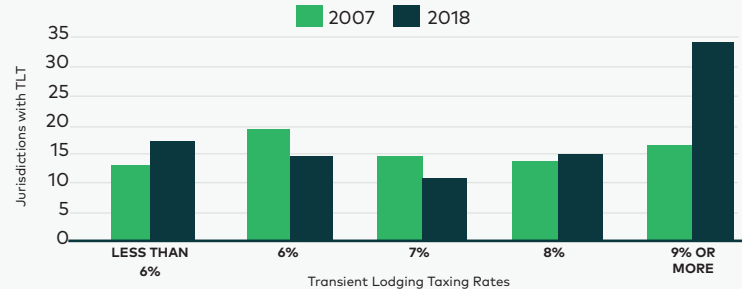
Revenue section data source: Dean Runyan Associates provided revenue data for FY 2007 and 2018 for cities and counties that levied a local transient lodging tax in those years.

PER CAPITA LOCAL TRANSIENT  
LODGING TAX REVENUES GREW  
IN EACH REGION:

- Coast  
\$231 in 2018, up from \$109 in 2007
- Mt. Hood/Gorge  
\$92, up from \$43
- Central  
\$84, up from \$41
- Portland Region  
\$60, up from \$28
- Southern  
\$47, up from \$29
- Eastern  
\$29, up from \$24
- Willamette Valley  
\$26, up from \$15

TRANSIENT LODGING TAX RATES & COLLECTION  
LOCAL TRANSIENT LODGING LEVY RATES, FY 2007 & FY 2018

Exhibit data source: Dean Runyan Associates and Travel Lane County.



In 2018, the average local transient lodging tax rate was 7.2%.

From 2003 to 2018, 46% of jurisdictions had changed their existing, local transient lodging tax rate. All but one jurisdiction increased their rate. On average, jurisdictions' rates increased by 1.5%.

OF THE PARTICIPATING  
JURISDICTIONS:

- 78% Collected transient lodging taxes on short-term rentals like AirBnB
- 49% Began collecting transient lodging taxes before 1990
- 38% Imposed a tax rate of 9% or higher
- 35% Retained an administrative fee