

# Facts about Statewide Lodging Tax Moving from 1% to 1.8%

**100% of statewide lodging taxes go towards funding tourism investments. For every \$1 Travel Oregon invests in advertising, \$237 is generated in tourism spending and \$11 in tax revenue to the benefit of Oregon residents.**

- The “local preemption” on new or increased local lodging taxes still requires local lodging tax revenue to be spent on tourism related activities at a rate of 70% of those new or increased funds. The remaining 30% can be spent on whatever the local government entity wants to spend it on (i.e., roads, police, fire, etc.)



**The movement to increase the statewide lodging tax started due to Eugene tentatively securing the 2021 IAAF (International Association of Athletics Federations) World Championships.**

- Largest sporting event in the world in the year 2021 - bigger than the Super Bowl
- 3rd largest sporting event in the world (behind the Olympics and World Cup)
- Will be the biggest sporting event in the history of Oregon
- Recent host cities include Beijing, China and Moscow, Russia
- Track and field facilities around Oregon will be filled with world track teams preparing for the 2021 event in Eugene as early as one month prior to the competition to acclimate to Oregon's climate

**Although the World Championships event in Eugene is exciting for all of Oregon, increasing the Statewide Lodging Tax from 1% to 1.8% goes far beyond this one event. The total cost of the Eugene Project is \$150 million and includes:**

- \$70 million of the \$150M will need to be raised independently by Eugene for renovations to Hayward Field; most likely accomplished through U of O bond funding and private donations
- \$40 million will be raised for promotion and marketing; a plan still needs to be developed for this and most likely includes private fundraising efforts
- \$20 million will be paid through the statewide lodging tax increase
- Remaining \$20 million will be raised through sponsorships and ticket sales

**The \$20 million raised through the increase in the statewide lodging tax represents less than one third of any new statewide lodging tax revenue.**

- If spread over four years (2017-2020) the \$20 million can be raised in increments of \$5 million per year in preparation for 2021
- The increase in the statewide lodging tax represents approximately \$17 million in new revenue per year

- During the next four years there will be approximately **\$12 million per year for statewide tourism investments** outside of international promotions for the World Track Championships if the statewide tax increase is approved by the Legislature
- It is expected that the \$12 million in additional funding will be used to have more tourism investment experts “on the ground” to coordinate tourism promotions in communities throughout Oregon