



Understanding the Local Transient Lodging Tax (TLT) in Coos Bay, North Bend & Charleston and Coos County

Statewide TLT History & Facts:

- 2003 – The State of Oregon passes ORS 320.305 allowing the state to impose a 1% Statewide Lodging tax and setting limits on what local DMOs can spend local lodging taxes on. **ONLY** New Local Taxes subject to the 70% / 30% split per state law.
- Solidifies the split of any New taxes (instituted after July 2, 2003) at 70% to tourism promotions and tourism facilities and 30% to local taxing jurisdiction.
- **Any existing taxes are grandfathered in** at the split which had been in place prior to the law. Every municipality has a split and not all are the same!
- In Coos Bay and North Bend: Taxes prior to 2003, split 2/7th to VCB and 5/7th to the taxing entity to spend as they see fit.

Coos Bay North Bend TLT History & Facts:

- 1973 - City of Coos Bay institutes 5% Lodging Tax.
- 1983 - Joint Tourism Committee created with North Bend; North Bend begins collecting 5% Lodging Tax.
- 1990 – Committee becomes the North Bend-Coos Bay Tourism & Promotion Committee.
- 1993 – The 5% Lodging Tax Increases to 7%.
- 1997 – New agreement changes name to Coos Bay/North Bend Tourism Promotion Committee and allows for hiring staff to manage promotions.

Coos Bay North Bend TLT History & Facts:

- 2010 – The first Intergovernmental Agreement (IGA) is signed between Cities of Coos Bay & North Bend and the Coquille Indian Tribe creating Coos Bay-North Bend Visitor & Convention Bureau (VCB) and cementing the lodging tax split which had been in effect up to that point.
- The VCB receives 2/7th of the Lodging Taxes collected by each city and the Tribe.
- Funds are used to market the area under the Brand **Oregon's Adventure Coast.**

Coos Bay North Bend TLT History & Facts:

- 2018 – The City of Coos Bay contracts with the VCB to manage the Coos Bay Visitor Center (VIC) – funds for this are separate from the TLT remitted to the VCB for tourism promotion as per the IGA.
- 2019 – The IGA partners agree to increase the Lodging Tax by 2.5%. (New amount subject to 70/30 split. Combined with existing tax, VCB receives $\approx 39\%$ of all taxes collected. Cities/Tribe keep $\approx 61\%$.)
- 2022 – Charleston area lodging tax instituted by Coos County. VCB receives 39% of these new taxes, 31% earmarked for Charleston Visitor Center, totaling 70% as per state law. Coos County retains 30% and joins IGA.

Coos County BDGR Assessment History & Facts:

- 2015 – Coos County attempts to pass a County Wide Lodging Tax of 10% which failed at the Ballot.
- Bandon Dunes Golf Resort (BDGR) opts to Voluntarily ASSESS Lodging Clients at 6% and gives these funds to Coos County.
- Since this Assessment is not considered a Lodging Tax, it is not subject to the same TLT split.
- MOU Agreement spells out split of 70% to Coos County for Public Safety with 30% to Tourism Marketing going to Travel Southern Oregon Coast.

LODGING TAX SPLIT



LODGING TAX SPLIT EXPLAINED – COOS BAY/NORTH BEND

TAX RATE – 9.5% collected at commercial lodging properties in Coos Bay, North Bend, at the properties of the Coquille Indian Tribe.

7% Original Tax Rate

Split

- 5/7th/ 72% – Stays with Taxing Entity
- 2/7th/ 28% – to VCB to market the area as a tourism destination

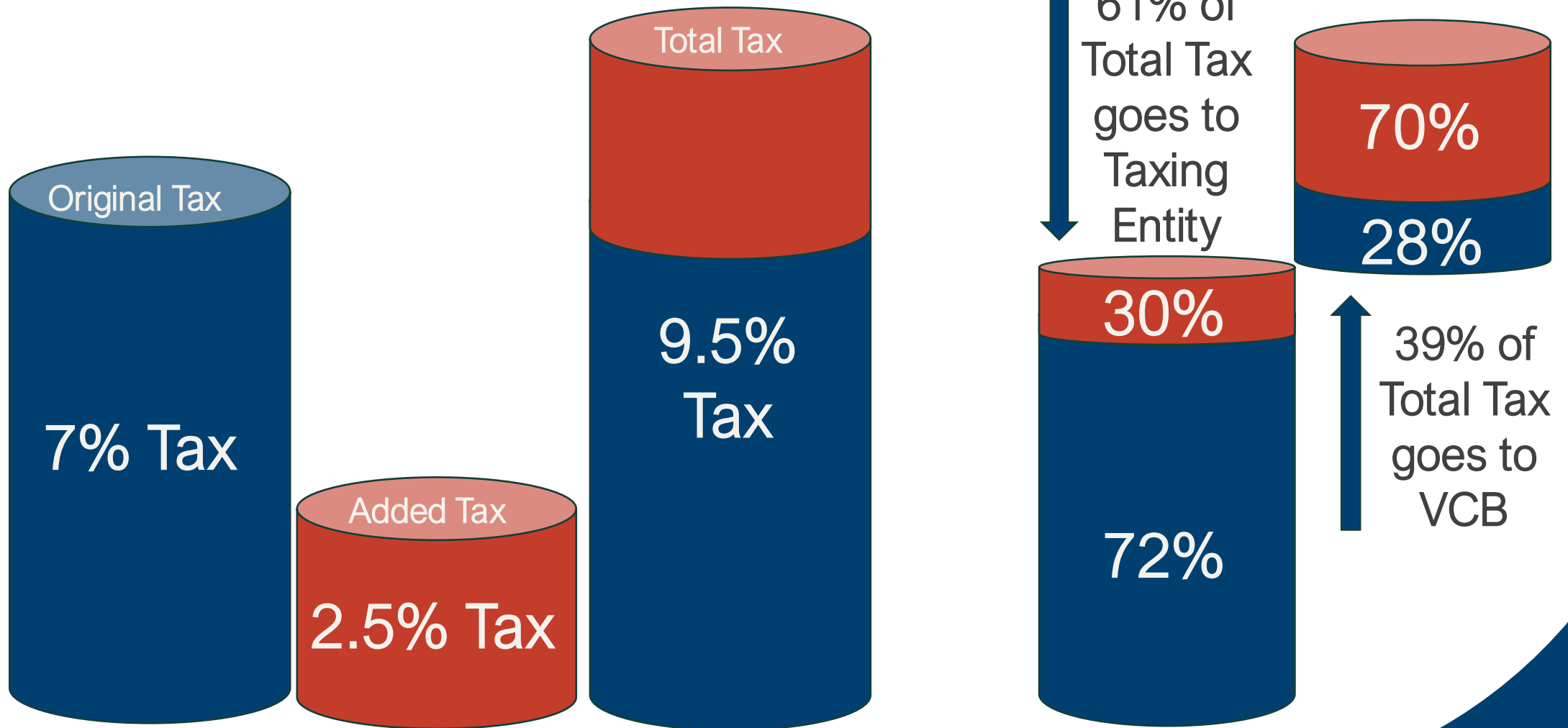
2.5% Added Tax Rate

Split

- 30% – Stays with Taxing Entity
- 70% – to VCB to market the area as a tourism destination

**AVERAGE PERCENTAGE OF LODGING TAX
TO VCB $\approx$ 39%**

LODGING TAX SPLIT EXPLAINED – COOS BAY/NORTH BEND



LODGING TAX SPLIT EXAMPLE – COOS BAY/NORTH BEND

A taxing entity collects Lodging Taxes on overnight stays with Hotel Revenues of \$2.5 Million. Tax collected = \$237,500

This is just an example. Actual room revenues are not included here.

7% Original Tax Rate =
\$175,000

Split

- 72% – to Taxing Entity = \$126,000
- 28% – to VCB = \$49,000

2.5% Added Tax Rate =
\$62,500

Split

- 30% – to Taxing Entity = \$18,750
- 70% – to VCB = \$43,750

VCB GETS = \$92,750 $\approx$ 39%

TAXING ENTITY KEEPS = \$144,750 $\approx$ 61%

LODGING TAX SPLIT EXAMPLE – COOS BAY/NORTH BEND

A taxing entity collects Lodging Taxes on overnight stays with Hotel Revenues of \$9.5 Million. Tax collected = \$902,500

This is just an example. Actual room revenues are not included here.

7% Original Tax Rate =
\$665,000

Split

- 72% – to Taxing Entity = \$478,800
- 28% – to VCB = \$186,200

2.5% Added Tax Rate =
\$237,500

Split

- 30% – to Taxing Entity = \$71,250
- 70% – to VCB = \$166,250

VCB GETS = \$352,450 $\approx$ 39%

TAXING ENTITY KEEPS = \$550,050 $\approx$ 61%

LODGING TAX SPLIT EXAMPLE – COOS COUNTY

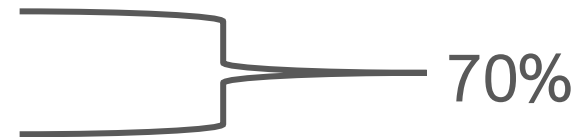
A taxing entity collects Lodging Taxes on overnight stays with Hotel Revenues of \$6.3 Million. Tax collected = \$598,500

This is just an example. Actual room revenues are not included here.

9.5% Original Tax Rate = \$598,500

Split

- 30% – to Taxing Entity = \$179,550
- 39% – to VCB = \$233,400
- 31% – to Charleston Merchants = \$185,550



VCB GETS = \$233,400 = 39%

CMA GETS = \$185,550 = 31%

TAXING ENTITY KEEPS = \$179,550 = 30%

COOS COUNTY ASSESSMENT SPLIT EXAMPLE

Bandon Dunes Golf Resort voluntarily assesses guests on overnight stays with room revenues of \$35 Million. Assessment collected = \$2,100,000

This is just an example. Actual room revenues are not included here.

6% Assessment Rate = \$2,100,000

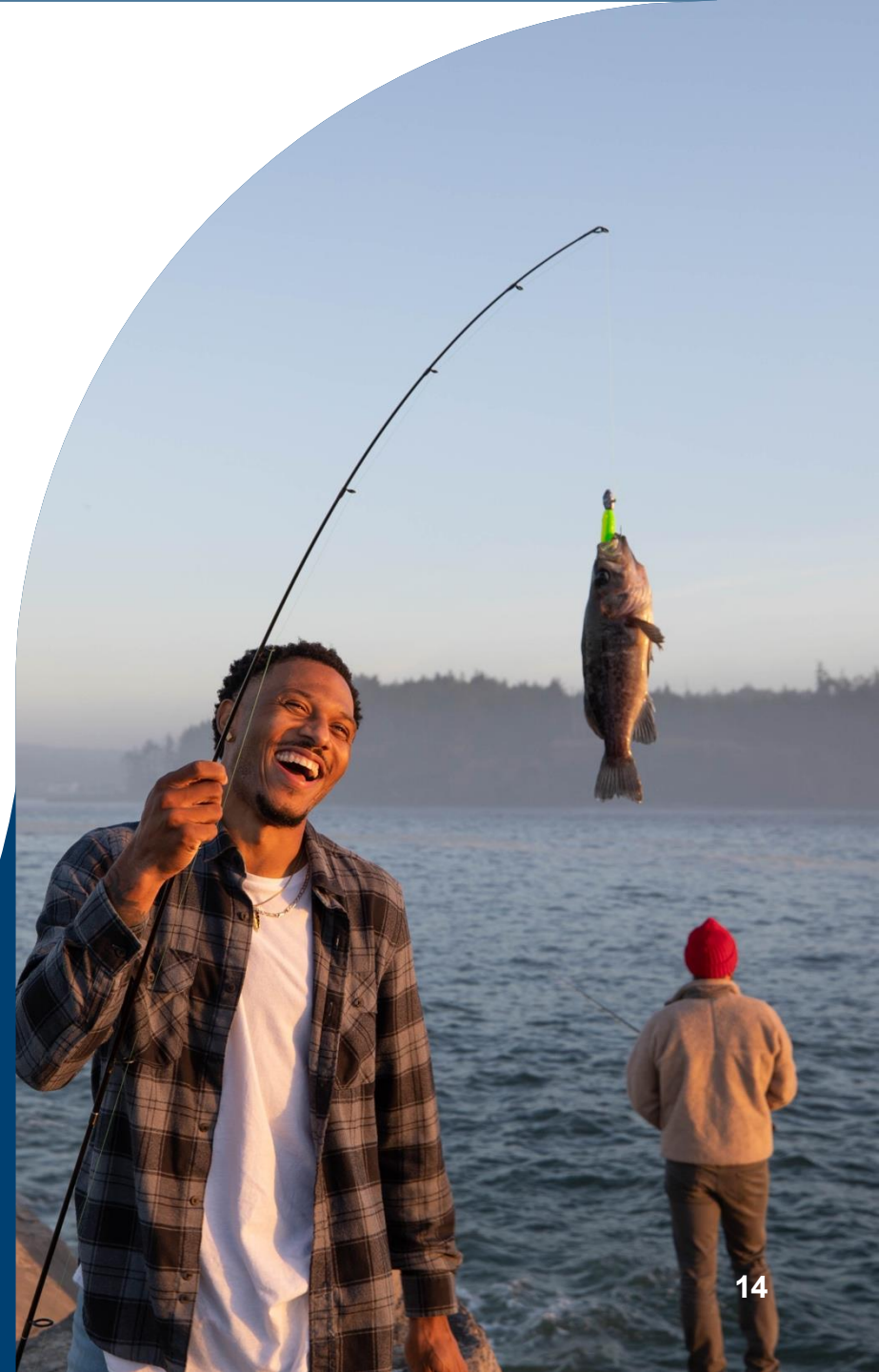
Split

- 70% – to COUNTY = \$1,470,000
- 30% – to Travel Southern OR Coast (TSOC) = \$630,000

COOS COUNTY KEEPS = \$1,470,000 - 70%

TSOC RECEIVES = \$630,000 - 30%

VCB BUDGET – FY2027



VCB Budget FY2027 - REVENUES

ANTICIPATED TLT REVENUES – ALL IGA Partners

\$989,057

(Coos Bay = \$456,761; North Bend = \$95,000; Coquille Tribe = \$237,500; Coos County for Charleston = \$199,796)

(Additional 5% of anticipated revenues in Rainy Day Fund = \$52,054)

ANTICIPATED OTHER REVENUES/ASSETS – Grants, Interest, VIC Income, Carryover from previous fiscal year, and Rainy Day Fund from previous years

\$567,113

TOTAL REVENUE BUDGET = \$1,556,170

VCB Budget FY2027 - EXPENDITURES

MARKETING/ADVERTISING EXPENDITURES = \$837,227

(Advertising, Event Advertising, Trade Shows, FAM Tours, Website, Printing, etc)

ADMINISTRATIVE COSTS/MISCELLANEOUS/TOURISM GRANT = \$413,200

(Salaries, Telephone, Audits, Insurance, Office Supplies, NEW Community Tourism Infrastructure Grant, Other Projects)

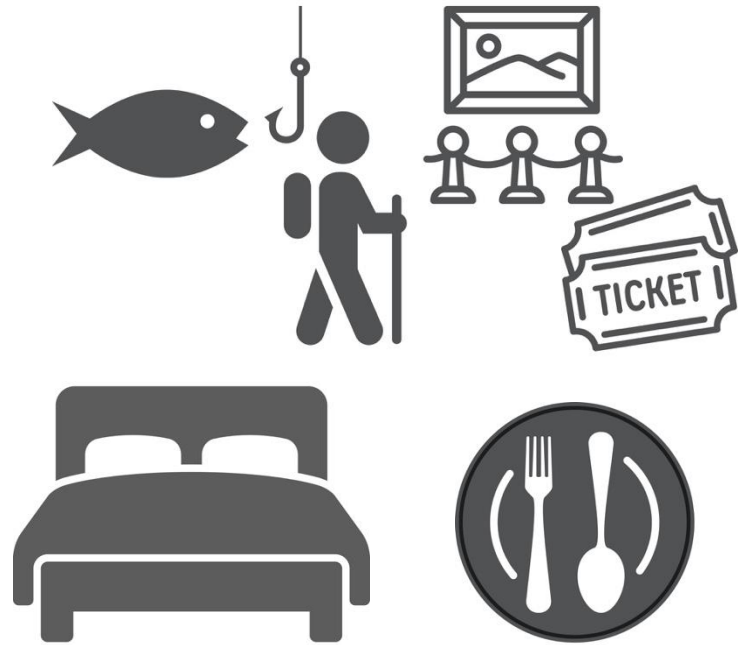
VIC COSTS = \$124,050

(All costs associated with running the Visitor Information Center – salaries, utilities, merchandise, etc.)

TOTAL EXPENDITURES BUDGET = \$ 1,556,170

(This total includes Rainy Day Fund Amount of \$181,693.)

Visitor Spending Coos Bay/North Bend/Charleston - CY2025



**\$154.6
Million**

↑4.7%

Supporting 2,100 Jobs

VCB Return on Investment – ROI – CY2025



Return on Investment (ROI) Calculation:

- ROI is figured as a % of Visitor Spending Based on Influence of Advertising
- Percentage of Influence of Advertising on Travel Decision
 - 14.7%

VCB Return on Investment – ROI – CY2025

Return on Investment (ROI) Calculation:

$$\frac{\{(\text{Visitor Spend} * 14.7\%) - \text{VCB Expenditures}\}}{\text{VCB Expenditures}}$$

VCB Expenditures

$$(154.6\text{M} * 14.7\%) = \$22,726,200$$

$$\{22,726,200 - \$1,292,000\}$$

$$\underline{\$1,292,000}$$

VCB Return on Investment – ROI – CY2025



$$\text{ROI} = \$17:\$1$$

For every dollar spent by the VCB that influenced travel to our three communities, approximately \$17.00 was returned in the form of visitor spending at lodging, restaurants, retailers, outfitters, etc, and taxes.

Questions?



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