



# 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: 2/7<sup>th</sup> to VCB and 5/7<sup>th</sup> 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 2/7<sup>th</sup> 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. With existing tax split, VCB receives  $\approx 39\%$ .)
- 2022 – Charleston area lodging tax instituted by Coos County. VCB receives 39% of these new taxes, 31% earmarked for Charleston Visitor Center, totalling 70% as per state law. Coos County 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 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

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

## 2.5% Added Tax Rate

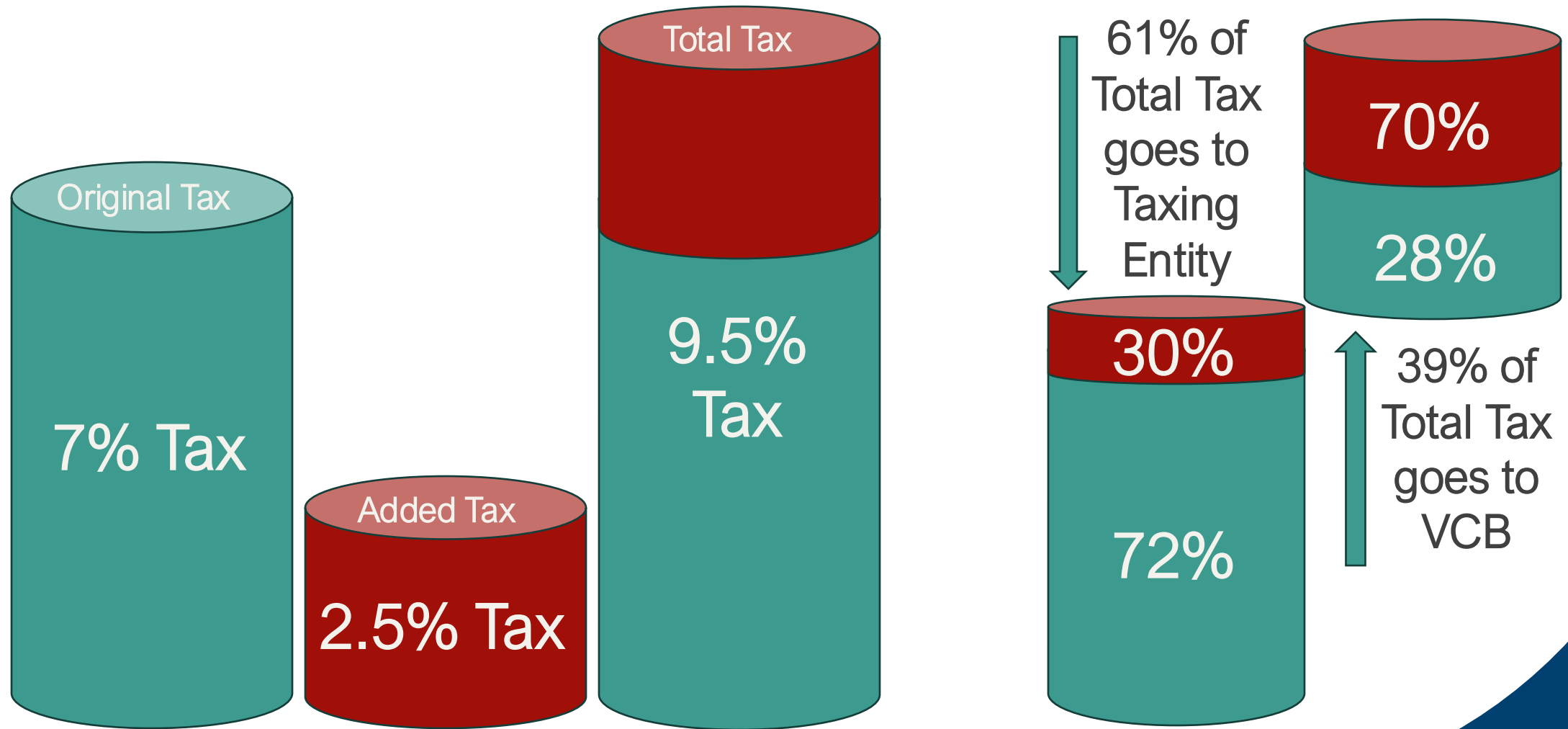
Split

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

**AVERAGE PERCENTAGE OF LODGING TAX TO VCB ≈  
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

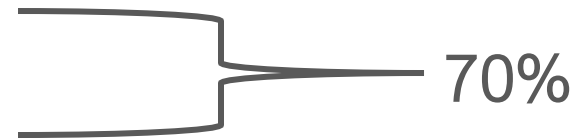
A taxing entity collects Lodging Taxes on overnight stays with Hotel Revenues of \$6.3 Million. Tax collected = \$598,500

*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 TSOC = \$630,000

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

TSOC RECEIVES = \$630,000 - 30%

# VCB BUDGET – FY2025



# VCB Budget FY2025 - REVENUES

ANTICIPATED REVENUES – ALL 4 IGA Partners

\$1,048,500

(Coos Bay = \$473,500; North Bend = \$110,00; Coquille Tribe = \$275,000; Coos County for Charleston = \$200,00)

ANTICIPATED OTHER REVENUES – Grants, Interest, VIC Income, Carryover

\$347,030

**TOTAL REVENUE BUDGET = \$1,395,530**

# VCB Budget FY2025 - EXPENDITURES

**MARKETING/ADVERTISING EXPENDITURES = \$892,500**

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

**ADMINISTRATIVE COSTS/MISCELLANEOUS = \$385,730**

(Salaries, Telephone, Audits, Insurance, Office Supplies, etc.)

**VIC COSTS = \$117,300**

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

**TOTAL EXPENDITURES BUDGET = \$1,395,530**



# Questions?



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