

Submitter: Dan Buck

On Behalf Of:

Committee: House Committee On Emergency Management, General Government, and Veterans

Measure, Appointment or Topic: HB3556

House Committee on Emergency Management, General Government, and Veterans
Oregon State Capitol

900 Court Street NE

Salem, Oregon 97301

Re: HB 3556 – Use of Local Transient Tax Revenue

Dear Chair Tran, Vice Chair Grayber, Vice Chair Lewis, and Committee Members:

As Executive Director of Visit Grants Pass, the DMO representing the City of Grants Pass and Josephine County, I am writing to oppose House Bill 3556. This proposal would redirect lodging tax revenue—currently a critical driver of our tourism-based economy—to other purposes, threatening the region’s economic stability and growth.

Southern Oregon has transformed itself from a timber-dependent economy to one fueled by tourism, a shift necessitated by industry declines and changing regulations. Today, tourism is our economic backbone. In 2023, direct travel spending reached \$1.1 billion—a 4.2% increase from 2022—supporting 12,300 jobs, \$315 million in local earnings, and \$55 million in tax revenue. Over the past decade, this sector has grown steadily: travel spending rose 35% (3.5% annually), employment increased 20% (adding 2,050 jobs), and worker earnings climbed 28%.

The current law, which dedicates transient lodging taxes to tourism promotion and facilities, underpins this success. It reinvests visitor-generated funds into the industry, sustaining growth and bolstering unrestricted lodging tax revenues. HB 3556, however, would divert these funds to public safety and infrastructure. While we recognize the importance of these services, siphoning resources from tourism could weaken marketing, degrade visitor experiences, and erode the revenue and jobs we depend on—undoing decades of progress.

Local governments face funding challenges, but broadening the use of lodging tax revenue risks undermining the very industry that supports our economy. We respectfully urge you to reject HB 3556 and maintain the current allocation, ensuring tourism remains a thriving pillar of Southern Oregon’s future.

Thank you for your consideration.

Sincerely,
Dan Buck

Executive Director
Visit Grants Pass