

Submitter: Paul Snyder

On Behalf Of:

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

Measure, Appointment or Topic: HB3556

I am writing to express my opposition to HB 3556.

It will have the reverse impact on local economies and governmental budgets than intended.

I was previously EVP of Stewardship for the Tillamook County Creamery Association where I led the company's efforts at community revitalization. I am extremely familiar with the budget stresses of local governments. Previous to working at Tillamook, I worked in the travel industry for 20 years.

Drawing on my past experiences, I can confidently say that this legislation will undermine local economic resiliency and further stress, not strengthen, local government general funds and budgets.

Every \$1 redirected from tourism promotion to general funds and purposes will have any where from \$12 to \$70 negative effect on local economies. That negative investment will have a correlating negative impact on those same local government general funds and budgets.

As numerous studies have demonstrated, strategic investment in destination marketing generates significant economic benefits, far outweighing the costs. .

Proven Economic Returns on Tourism Marketing

1. Brand USA's Impact: Nationally, for every \$1 invested in Brand USA marketing, \$23.60 in visitor spending is generated, resulting in a \$20.90 return on investment (ROI) after accounting for operating costs. In FY2019 alone, Brand USA campaigns drove \$3.2 billion in visitor spending and returned 3.2 times their funding in federal tax revenue. (Source)

2. State-Level Success in New Mexico: From 2013 to 2015, the New Mexico Tourism Department increased its out-of-state marketing budget by \$2.5 million, resulting in 895,000 additional trips, \$176 million in incremental visitor spending, and \$18 million in new state and local tax revenue. Each dollar invested generated \$72 in visitor spending and \$7 in tax revenue. (Source)

3. Tourism Improvement Districts (TIDs) Demonstrate Strong ROI: Research shows that for every dollar generated by a TID, there is a \$70 return to the economy. (Source)

The Cost of Cutting Tourism Promotion

States and cities that have reduced tourism promotion have faced severe economic consequences. The U.S. Travel Association has documented multiple negative case studies where funding cuts led to significant declines in visitor spending, local business revenue, and tax collections. (Source)

Oregon's economy relies on a thriving tourism sector, which supports local businesses, jobs, and tax revenue essential for public services. Cutting funding for tourism promotion, as proposed in HB 3556, would put these benefits at risk. I strongly urge you to oppose this legislation and support continued investment in tourism marketing to ensure Oregon remains a premier destination.

I understand that local jurisdictions are struggling with budget deficits, but tourism promotion dollars are not the place to plug the gaps. Ultimately, such a repurposing of this money will only further undermine the resilience of local economies -- exactly the reverse of what the legislation intends. Local economies will be negatively impacted. Local government budgets will be further strained.