

Submitter: Patrick Nofield  
On Behalf Of:  
Committee: House Committee On Revenue  
Measure, Appointment or Topic: HB3962

Oppose HB 3962

It's interesting that the sponsors of HB 3962, Representative Javadi and Senator Weber, are from Tillamook with local governments in Tillamook, Seaside, Astoria and Clatsop County supporting this bill. Why are we considering a state solution to deal with a regional issue?

Clatsop County Sheriff, Matt Philips (a good man), is on record stating that approximately 35% of the inmates in Clatsop County jail are "transient" implying that they must be tourists.

Our company, Escape Lodging operates 6 properties in Cannon Beach, in the past 20 years I can vaguely recall a handful of incidents where a guest staying at our properties were jailed. The "transient" inmates are not tourists.

It's interesting that the primary sponsors of HB 3962, Representative Javadi and Senator Weber, are from Tillamook with local governments in Tillamook, Seaside, Astoria and Clatsop County supporting this bill. Why are we considering a state solution to deal with a regional issue?

The Oregon state legislature passed HB 2267 in 2003, the "Tourism Investment Proposal", which created a state wide 1% Transient Lodging Tax to enhance the ability of the Oregon Tourism Commission to compete nationally to promote Oregon as a Tourist destination. Additionally, it created statute that any new transient Lodging taxes vetted by local governments would allocate 70% to tourism with the additional 30% unrestricted.

The reality is those original Transient Lodging Taxes collected prior to 2003 continue to increase at a rate 5 to 7% annually creating additional resources for local governments. I'm not sure the sponsors of this legislation realize the significance of these resources.

At the same time the ability for local communities to use 70% of any new TLT increase to fund tourism promotion and the development of tourism-related facilities provides a significant economic impact.

According to independent research done for Travel Oregon by Runyan Associates in 2023, the average expenditure for an overnight visitor in 2023 is \$542, based on an average party size of 2.4 guests with an average length of stay of 2.5 nights equates to \$1,353 per trip in Oregon. In addition to the dollars spent on lodging, they include restaurants, retail shops, gas stations, food stores, wineries and arts, cultural and

recreation amenities.

To this end, an average 80 room hotel will generate 22,000 room nights annually. Multiplied by an average length of stay of 2.5 nights equates to 8,800 trips. Those 8,800 trips at \$1,353 per trip equates to almost \$12,000,000 (\$11,906,400) in annual direct visitor spending in the local community in addition to the local transient lodging tax collected.

In addition to enhancing the local economy these opportunities create jobs and additional resources through property taxes, the gas tax, income taxes, and local utility fees.

We worked hard to create HB 2267 in 2003, and the positive economic impacts for our state and local economies have been significant.

We're already dealing with excessive government regulations and over reach on the State and local level.

This proposed legislation, HB 3962 is an overreach and will impact our businesses negatively. The potential impact of HB 3962 will significantly harm economic development and create unintended consequences.

Please do not support this legislation – it feels like a money grab when the resources are already available – they just need to be managed.