

Submitter: Rachel Watkins
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB3962

May 6th, 2025
House Committee on Revenue
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and members of the House Committee on Revenue,

I'm writing to you as a state resident and hospitality industry member in opposition to House Bill 3962.

This bill directly threatens our business and countless others in Oregon's hospitality sector.

Here in Albany, our city is not subject to the 70/30 split as our tax was established before 2003. The City of Albany is currently spending less than 50% of TLT revenue on tourism promotion and facilities. TLT revenues already pay for city employees in economic development, police, fire and many other city functions. Another 10% of TLT revenues go directly to the NW Art and Air festival, put on by the City. If the city of Albany needs more money, why haven't they started collecting TLT on short-term rentals? Our Albany hotels are already treated unfairly.

The dollars that are spent on tourism promotion are key to the success of our industry. They have helped us secure contracts with softball tournaments like the Jim Sherman Memorial Northwest Championship returning July 8-13, 2025, to Timber Linn Park. They have also been used to improve our fields with TLT dollars used to buy pitching mounds. Not only does this tournament fill our hotel, but it also brings outside dollars to our community through our restaurants, gas tax and shopping. Local governments go to Salem every year and try to take these dollars away from the original intended purpose. Industry specific tax should go into the industry – similar to the gas tax.

Albany's hotels have not recovered to 2019 occupancy levels. By allowing our local government to divert transient lodging tax (TLT) revenue away from tourism promotion and tourism-related facilities to fund public safety and local infrastructure, HB 3962 pulls the rug out from under the very industry that generates those funds. Let me be clear: tourism is the lifeblood of my business. We rely on a strong tourism economy to bring visitors to our area, fill our establishments, and support local jobs. The TLT funds, as they are currently used, play a critical role in this. They support regional marketing efforts and attractions, which draw visitors from across the state and beyond. While our main street is trying to bring tourists to our community, this bill

suggests tourists are a burden.

If HB 3962 passes, these vital funds could be siphoned off, leaving our tourism efforts underfunded and our community less attractive to visitors. This isn't just about abstract budgets; it's about real-world consequences. It's about:

- Fewer visitors coming to my business, leading to decreased revenue.
- Reduced marketing for our region, making it harder to compete with other destinations.
- Less investment in the tourism infrastructure that makes our area appealing.

Albany's lodging businesses like mine collect over \$3 million in TLT for our local government every year. Those funds were originally intended to support the industry. Weakening this funding mechanism will have ripple effect impacting businesses in Albany the hospitality industry serves.

I urge you to vote NO on HB 3962. Please don't jeopardize the future of my business, employees, and the many other hardworking Oregonians who depend on a thriving tourism industry.

Thank you for your time and consideration.

Rachel Watkins

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