

Submitter: James Pearrow  
On Behalf Of: Hood River Hotel  
Committee: House Committee On Revenue  
Measure, Appointment or Topic: HB3962

Dear Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and Members of the Committee,

My name is James Pearrow and I am the General Manager of the Hood River Hotel and Revenue Manager for the Campfire Hotel in Bend, OR. Thank you for the opportunity to provide testimony today. I'm writing on behalf of our organizations to respectfully express our concerns and strong opposition to House Bill 3962.

Tourism is one of the few industries that touches every corner of Oregon—urban and rural alike. It's through the continued collaboration between local destination marketing organizations (DMOs) that we've seen real progress in bringing people to our communities, supporting small businesses, and creating jobs that reflect Oregon's values.

In Hood River, transient lodging tax (TLT) revenues do far more than support tourism marketing. They help fund wildfire recovery efforts, enhance water safety education, maintain scenic trails, and ensure our outdoor recreation spaces are accessible and welcoming to all. These dollars also support arts and culture programming that enriches both residents and visitors alike. The impact of these investments is real, tangible, and shared across our entire community.

This strategic use of TLT funding was made possible by the 2003 Tourism Investment Proposal, which established the 70/30 rule for TLT revenues. That agreement laid the groundwork for Oregon's thriving tourism sector today:

- Visitor spending in Oregon has more than doubled, from \$6.5 billion in 2003 to \$14 billion in recent years.
- State and local TLT tax revenues have more than tripled, from \$200 million to over \$650 million.
- Oregon has gained an additional 2.7 million hotel room nights compared to 2008—visitors who spend more in local restaurants, shops, and recreation businesses.
- Oregon's tourism economy continues to show consistent annual growth, outpacing inflation in areas like

employment (1.6%), earnings (5%), and tax revenue (4.8%).

Now, more than ever, we need to safeguard the reinvestment of TLT funds. There's a common misconception that

Oregon's tourism economy has fully rebounded from the COVID-19 pandemic, but the data tells a different story.

According to 2024 STR hotel performance reports:

- None of Oregon's seven tourism regions have returned to pre-pandemic occupancy levels.
- Statewide hotel occupancy remains down 7.6% compared to 2019.
- Portland's total revenue is still down 10.6% from pre-pandemic levels.

This shows us that the tourism industry, while resilient, is still recovering. Redirecting core TLT funding at this

stage—especially toward non-tourism uses—could stall or even reverse hard-won gains, particularly for rural

destinations still rebuilding from economic disruption.

We recognize that cities and counties have pressing infrastructure and public safety needs, but HB 3962 would shift

funds away from a proven system that continues to drive meaningful economic growth for communities across the

state. Instead of weakening a proven model, we believe there's opportunity to explore alternative revenue sources

that don't put our visitor economies at risk.

Thank you for your continued support of tourism as a driver of economic vitality and community resilience. By

opposing HB 3962, you help ensure that TLT revenues remain focused where they've had the greatest impact—

supporting vibrant local economies, job creation, and the stewardship of Oregon's most cherished places.

Sincerely,

James Pearrow

General Manager

Hood River Hotel