

June 23, 2025

Senate Committee on Revenue

Oregon State Capitol, 900 Court Street NE

Salem, Oregon 97301

Re: HB 3962 - Relating to local taxation

Chair Meek, Vice-Chair McLane and Members of the Committee:

The 30-member Travel Lane County Board of Directors, representing the interests of Lane County's hospitality industry, opposes HB3962.

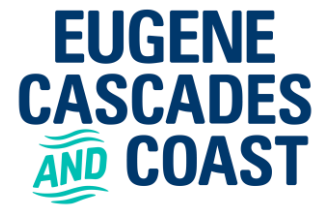
Like many communities across Oregon, Lane County faces significant economic challenges during the winter months. Our region supports over 11,000 hospitality and tourism jobs, many of which experience reduced hours or temporary layoffs during this slow season. To ensure healthy local economies we must keep Oregonians employed year-round. One of the most effective ways to achieve this stability is by investing in attracting visitors outside of peak seasons. The Transient Lodging Tax (TLT) has been a vital tool in making these investments possible.

Instead of jeopardizing a thriving industry by opening the door for the use of tourism funds in a way that could lead to even broader uses of these limited resources, we need to work together to focus on sustainable solutions to Oregon's many challenges.

Annually, Lane County uses TLT to support the operations of the Lane Events Center and the Lane History Museum. Additionally, all 12 cities within the county receive funding for marketing local events and/or building infrastructure, such as the recent welcome signs at each end of the McKenzie River valley. Transient lodging tax funds are especially crucial for Oregon's rural communities as they shift from resource-based economies to those that include tourism. Maintaining tourism momentum in our rural communities is essential—we cannot afford to slow down or stop these vital initiatives.

Tourism-related businesses—hotels, restaurants, and attractions—do more than generate Transient Lodging Tax (TLT) revenue. They also contribute through property taxes, licensing fees, and other local taxes that fund essential city and county services. A strong tourism economy keeps these businesses thriving, which in turn sustains vital tax revenue for municipalities. Weakening the TLT structure doesn't just impact tourism—it affects the entire local economy. In 2023, visitor spending in Lane County totaled \$1 billion, supporting local businesses and generating an estimated \$50 million in state and local taxes.

Our cities and Lane County utilize transient lodging taxes for vital services and projects. Examples include constructing the Hult Center for the Performing Arts and the Florence Events



Center. The Florence Events Center, a hub for music, theater, and community events, was funded by transient lodging taxes and, with plans to expand, transient lodging taxes will be a critical piece of the funding plan.

To sustain the TLT revenue that supports these and other community projects, Lane County needs to grow visitation and visitor spending in winter. Recognizing this and the community's need for expanded indoor and outdoor sports facilities, Travel Lane County and local advocates began developing plans for an indoor multiuse facility more than seven years ago. This facility is designed to provide essential practice and competition space for youth and adults while driving economic growth by hosting tournaments year-round. Local businesses face challenges during the shoulder and winter seasons due to decreased visitation, but this facility would help sustain visitor demand and support stable, year-round employment. Diverting transient lodging tax revenues to other uses could threaten tourism's ability to invest in vital infrastructure projects like this one.

The partnership between destination marketing and management organizations (DMOs) and Travel Oregon drives economic growth and job creation across the state, including in Oregon's most rural areas. DMOs strategically focus on tourism development and marketing during non-peak seasons to help stabilize the industry, ensuring year-round jobs and economic security for communities. Opposing HB3962 will allow tourism destinations and their DMOs to maintain long-term planning, make strategic investments, and continue essential projects and partnerships that support Oregon's economic strength.

Travel Lane County urges you to oppose HB3962. Thank you for the opportunity to provide testimony on this important topic.

Sincerely,

A handwritten signature in black ink that reads "Andy Vobora". The signature is written in a cursive, flowing style.

Andy Vobora
Vice President of Stakeholder Relations
Travel Lane County