



City of Bandon

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Bandon by the Sea

March 18, 2025

House Committee on Emergency Management,
General Government, and Veterans
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: Support for HB 3556 – Local Lodging Tax Flexibility

Dear Chair Tran and Members of the Committee:

The City of Bandon strongly supports HB 3556, which would provide much-needed flexibility in the use of local transient lodging tax revenues. This bill allows for “tourism-impacted services” to be included as an allowable use in the restricted 70% portion of lodging tax funds, ensuring that essential services—such as public safety (fire, EMS, and police) and community infrastructure (water, wastewater, transportation, parks, trails, and public amenities)—can receive necessary funding.

Since the 2003 state preemption on local transient lodging taxes, cities like Bandon have faced significant constraints on how these revenues can be allocated. The current law mandates that at least 70% of new or increased lodging tax revenues be directed toward tourism promotion and tourism-related facilities, with only 30% available for local discretionary spending. However, the demand on local infrastructure and public services caused by tourism continues to grow, placing an increasing financial burden on the City and its residents.

As a coastal community with a thriving tourism industry, Bandon welcomes thousands of visitors each year. While tourism is a vital part of our local economy, it also creates additional demands on our emergency services, roads, water systems, and public facilities, which are not currently covered under the allowable uses of the restricted 70% lodging tax revenue. Expanding the definition to include tourism-impacted services would allow the City to better maintain and enhance critical infrastructure that both visitors and residents rely upon.

The City of Bandon is seeking your support of HB 3556 and respectfully request that the bill be advanced to the House Revenue Committee for further consideration. This measure is essential for ensuring that small communities like Bandon have the flexibility needed to sustainably support both tourism and local public services.

Thank you for your time and consideration.

Respectfully,

Mary Schamehorn
Mayor
City of Bandon