

I'm David Reid, Executive Director of the Astoria-Warrenton Area Chamber of Commerce, which consists of nearly 600 local businesses across all sectors of our rural economy. Tourism is just one industry here, but its fortunes affect nearly every other industry, nonprofits, and our community at large. We are opposed this bill and urge a no vote.

Protecting wildlife is extremely important and, to the extent that money can help do that, we should absolutely find that money. But this is *absolutely* the wrong instrument to do it.

Using the lodging tax for anything other than its intended use makes it fair game for any other issue that is deemed important – and we all know there is no shortage of issues that are truly important to Oregonians.

We may think that we're only taxing tourists but we're taxing Oregonians and we're taxing the lodging providers. This is, indeed a business tax. An \$11 million business tax. In a state that is losing key employers to other states because of its onerous tax burden.

Customers make buying decisions based on the actual cost. When I buy gasoline, I don't see it as \$3.50/gallon plus 44-cents tax. I see it as \$3.94/gallon. The same is true for hotel rooms.

Oregon has competition. It's not enough to say that "people will come anyway". That's not how economies work. Price is always tied to demand.

That, incidentally, is why prices go up during the busiest seasons – more demand and a limited supply. Pretending that consumers are indifferent to tax rates is how we became one of the hardest states in the nation in which to do business.

This proposal has no provable return on investment to the tourism industry. TLT dollars invested in tourism management and promotion, on the other hand, produces an impressive ROI. Last year \$40 million in TLT taxes that went to tourism management generated \$14 billion in economic activity. That's an ROI of 350 times.

Why we'd tinker with that without consideration of the competitiveness of Oregon's hospitality industry or of Oregon itself is baffling.

Finally, tourism management in this state is so much more than marketing. It includes, in fact wildlife protection, conservation education, transportation, environmental protection, economic development, workforce development and more. You need look no further than the Oregon Coast Visitors Association's work to see how innovative and effectively TLT dollars can be used.

Please vote no on this bill. Protect people, jobs, and Oregon's lifestyle.