



Date: February 24, 2025

Name: Scott Larson, President & CEO, Visit Central Oregon

Bill Number and Committee: HB 2977 – Testimony to the House Committee on Agriculture, Land Use, Natural Resources, and Water

Dear Chair Helm, Chair Owens, Vice-Chair McDonald, and members of the House Committee on Agriculture, Land Use, Natural Resources, and Water,

My name is Scott Larson, and I am the President & CEO of Visit Central Oregon, the regional destination marketing and management organization (RDMO) representing tourism for Central Oregon. I appreciate the opportunity to convey our opposition to HB 2977.

I understand the unique challenges and constraints faced by increases in tourism, particularly on resources and public lands. I also understand the value that tourism brings to the local economies of Central Oregon where tourism supports full-time, year round employment for nearly 11,000 local residents. Central Oregon is unique in that we are a four-season destination, so we see partnerships between Mt. Bachelor and Hoodoo with our Destination Resorts to provide work exchange opportunities and seasonal job fairs to ensure full-time, year-round employment for people who want to be employed as part of Central Oregon's outdoor recreation lifestyle.

It is my privilege to serve the amazing region of Central Oregon and to implement programs to support local communities within our scope, including local visitor centers, regional visitor associations, Chambers, and all of the tourism industry business stakeholders.

It is the successful collaboration between the local and regional DMOs and Travel Oregon that is helping to generate economic impact and create new jobs across



Oregon, in even the most rural parts of our state. As DMOs, we focus our tourism development and marketing programs on many programs including brand stewardship initiatives because we understand the importance of protecting the natural environment and the beauty of the outdoors in the state of Oregon. I am personally a big believer that organizations like ours and others are here to promote but also to protect these resources.

For example, at Visit Central Oregon, we have implemented the following programs to support the resources so many people enjoy:

- *In Central Oregon, funds were leveraged with local tourism resources to increase access to the outdoors for people with disabilities, to increase our partnership with Leave No Trace and other outdoor recreation entities, trail maintenance and development, and more. Following this current cycle, our Future Fund grant program will have given over \$1.8 million dollars toward projects like these that have a broad impact on both residents and visitors alike.*

At the state level, tourism has become a bedrock of Oregon's economy as a result of the Tourism Investment Proposal of 2003, which created Travel Oregon, established a dedicated funding source through the statewide transient lodging tax, and protected local funding investments in tourism.

During the recession of 2003, the Governor, legislature, and leaders across the state recognized that tourism was an untapped market and that strategic and sustained investment in tourism was needed to establish Oregon as a travel destination for business and leisure.

While we understand the desire for increased funding, we are opposed to supporting HB 2977 and ask for a no vote on this bill. Consumers have become increasingly price-conscious, and increasing this tax would have negative impacts on Oregon as a competitive destination to visit. Many visitors to Central Oregon are fellow Oregonians, so this increase would be paid by residents of the state, not just visitors, at a time when the cost of living is increasingly difficult. This increased tax would also add additional



costs to visit our lodging properties, some of which are already struggling with the rising prices of running a business. All of these have the potential to lead to a decrease in future business, which would harm our ability to leverage these funds for our communities and brand stewardship initiatives.

Regional Economic Impacts:

In Central Oregon and in 2023 alone, the impact of and benefits of the statewide Transient Lodging Tax (TLT) is clear:

- Nearly \$1.3 billion in visitor spending
- Average visitor spending of nearly \$100 per person per day
- Supported the creation of 10,650 jobs
- Nearly \$63 million in tax revenue was generated by visitor spending, of which \$27 million stayed local and nearly \$36 million went to the state of Oregon
- For every \$1 spent on marketing, the average visitor spends \$157+ in our communities
- Annually, there are over \$71 million dollars paid in Property Taxes by Destination Resorts to Central Oregon counties. These taxes, primarily paid by second homeowners who do not utilize local services, directly offset the tax burden on full-time local residents.

There are countless programs and stories from Central Oregon that have been galvanized by the lodging tax investments to create sustainable product development and brand stewardship initiatives. These include things like supporting smaller, rural communities with marketing some of the amazing amenities they already have as well as increasing partnerships with other outdoor recreation non-profits like Leave No Trace. With the proposed increase in statewide lodging tax, we would be adding costs to businesses at a time of rising costs, running the risk of encouraging travelers to go



elsewhere, and diminishing our ability to continue this great work in the future. We simply cannot afford to increase taxes at this time.

Your opposition to HB 2977 will allow your constituents and businesses in our region to continue to do the great work that is currently underway, and to continue important projects and partnerships vital to promoting while protecting our future resources.

Thank you for helping your tourism constituency remain stewards of Oregon's natural wonders. We will continue our work to support vibrant local communities to improve livability for all residents of Oregon.

Thank you for the privilege to submit my testimony for your consideration.

Scott Larson

President & CEO

Visit Central Oregon