

February 21, 2025

House Committee on Agriculture, Land Use, Natural Resources and Water
Salem, OR

Dear Chairs Helm and Owens, and members of the committee:

We are writing to express our opposition regarding HB 2977 which, if passed, would increase the Transient Lodging Tax (TLT) by one percent with funds raised dedicated to species conservation through the Oregon Department of Fish and Wildlife (ODFW). We are homeowners in Manzanita and participate in the Short-Term Rental (STR) program there. Tillamook County is currently considering a proposal to submit a ballot measure to the public that would increase county TLT funds by five percent.

STR fees and taxes already account for some 75% of the City's general revenue fund, and 90% of TLT receipts are directed to the City. We would point out that it is not in the City's, County's, or the State's best interest to rely so heavily on one source of funding to support services. Increasing the taxes could actually result in less revenue if rentals decrease. In our case, rentals declined by 23% between 2023 and 2024.

Over many years, our family has enjoyed memories of vacations and other special events at Oregon's beaches. It is no longer an affordable option for many Oregonians to enjoy a low-cost weekend at the coast. In our case, associated fees and taxes exceed that of the cost of rent. Increasing the tax fee even more could result in visitors seeking more affordable vacation sites elsewhere and have a negative effect on local economies.

We keep our house in the rental pool in order to afford a second home for ourselves, friends and family members. Any proceeds we have realized have been reinvested in improving the property. Our rental has provided business to cleaners, property management firms, electricians, builders, painters, stores, restaurants, and more. The amount gained by an increased tax will most likely be offset or more by these ripple effects of less money spent on local businesses.

Finally, though we support ODFW's efforts at species conservation, we fail to see the logic in utilizing TLT funds for this purpose. If TLT funds are to increase, they should be used to directly support tourism infrastructure and the hospitality industry. Thank you for your consideration of this testimony.

Sincerely yours,

Connie Soper, Craig Soper, Carolyn Ableman