

February 21, 2025

Opposition to HB 2977 – Protecting Critical Tourism Investment

I am writing to express my strong opposition to HB 2977, which proposes changes to the use of Transient Lodging Tax (TLT) funds in Oregon. This legislation threatens to undermine vital tourism investments that drive economic growth, enhance visitor experiences, and support essential community projects. I urge you to reject HB 2977 for the following reasons:

1. **TLT Funds Critical Coastal Projects**

On the Oregon Coast, TLT revenues fund essential initiatives, including tide pool and trail ambassador programs, climate resilience planning, outdoor recreation development, and car-free transportation options such as EV infrastructure. These projects enrich the visitor experience, promote sustainable tourism, and bolster local economies. Oregon Coast Destination Marketing Organizations (DMOs) have a proven track record as effective stewards of these funds, ensuring that TLT investments yield long-term community benefits.

2. **Competitive Disadvantage for Oregon’s Tourism Industry**

Higher lodging taxes make Oregon less attractive for conventions, events, and group travel, placing our state at a competitive disadvantage compared to lower-tax destinations. Convention organizers book large room blocks and are highly sensitive to price increases. Any increase in lodging tax rates would drive business to competing states, reducing Oregon’s ability to attract major events and conferences.

3. **Economic Harm to Local Businesses**

Tourism is a cornerstone of Oregon’s economy, especially in coastal communities. Reduced convention and event bookings directly impact hotels, restaurants, and small businesses—particularly in the off-season when visitor spending is crucial. Higher lodging costs can deter potential attendees from participating in events, leading to lower attendance rates and diminished revenue streams for local businesses.

4. **Proven Return on Investment for Tourism Funding**

Since 2003, TLT investments have doubled visitor spending, tripled tax revenue, and stabilized jobs across Oregon. This data underscores the substantial economic return generated by dedicated tourism funding. HB 2977 threatens to disrupt this proven model, jeopardizing the economic benefits that tourism provides to communities statewide.

5. **Weakened Marketing & Growth Potential**

Diverting funds from tourism promotion will severely limit Oregon’s ability to attract visitors, maintain economic momentum, and sustain its position as a

premier travel destination. Strategic marketing investments funded by TLT revenue drive visitation, economic activity, and job creation. Reducing these efforts would stifle growth and negatively impact the communities that rely on tourism dollars.

For these reasons, I strongly urge you to oppose HB 2977 and protect the integrity of Oregon's TLT funding model. Oregon's tourism industry is a vital economic engine, and maintaining robust tourism investments is critical to sustaining jobs, businesses, and community programs.

Thank you for your time and consideration. I welcome the opportunity to discuss this matter further and appreciate your commitment to supporting Oregon's tourism economy.

Sincerely,
Rebecah Lutz, Owner
Cliffside Coffee & Sweets
And
Cliffside Getaway Vacation Rental