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House Committee on Agriculture, Land Use, Natural Resources, and Water  
Oregon State Legislature  
900 Court St. NE  
Salem, OR 97301

Subject: Opposition to HB 2977 – Protecting Tourism Investment & Economic Growth

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

On behalf of the Willamette Valley Visitors Association (WVVA), I appreciate the opportunity to provide comments on HB 2977. As a destination management/marketing organization serving the Willamette Valley from Wilsonville to Cottage Grove to the crest of the coastal range and the crest of the Cascade Mountains. We are dedicated to promoting the region's unique experiences of which outdoor recreation plays a vital role in attracting visitors. However, we respectfully oppose this bill as it reallocates critical tourism funding in a way that could weaken the very industry generating these dollars.

Oregon's transient lodging tax (TLT) was established as an industry self-assessment to reinvest directly into tourism promotion and destination development. This model has a proven track record of success. Since 2003, investments from TLT revenues have led to a more than doubling of visitor spending, a tripling of state and local tax revenues, and consistent job growth. These funds support critical initiatives, including wildfire recovery, sports tourism, air service expansion, and visitor infrastructure—benefiting both urban and rural communities.

In the Willamette Valley alone, visitor spending reached \$2.5 billion in 2023, supporting almost 23,000 jobs and contributing \$103 million in local and state taxes. WVVA also

directly supports land management agencies by promoting safe recreation messaging, providing grants to improve visitor infrastructure, and amplifying crisis communications during wildfires and other natural disasters. These investments ensure a well-balanced approach to tourism that benefits visitors, local communities and our outdoor recreation spaces.

Increasing the state lodging tax from 1.5% to 2.5% would make Oregon less competitive for conventions, group travel, and major events. Event planners are highly sensitive to price increases, and higher lodging costs deter bookings, particularly in the off-season. The economic ripple effect would be felt by hotels, restaurants, and local businesses that rely on visitor spending. Oregon's tourism industry has worked diligently to maintain its appeal in an increasingly competitive market, and diverting funds away from destination marketing and development could stall the momentum we have built.

While we support the mission of the Oregon Department of Fish and Wildlife (ODFW) and its role in conservation, setting a precedent of increasing lodging taxes for non-tourism agency-specific funding raises concerns. If this approach is adopted, it could encourage other state agencies to seek similar funding mechanisms, diluting the impact of TLT investments and undermining the industry's ability to reinvest in growth. Sustainable tourism funding ensures that we continue to attract new and repeat visitors, benefiting local economies across the state.

We urge you to consider the long-term implications of HB 2977 on Oregon's economic health and competitiveness. Protecting TLT investments for tourism promotion and destination development is essential to maintaining a thriving visitor economy that benefits all Oregonians. Thank you for your time and consideration. We welcome continued dialogue on ways to support both tourism and conservation efforts without compromising the economic engine that tourism provides.

Sincerely,



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