

Testimony of Anneliese Koehler, Legislative Affairs Manager

On HB 2977

**House Committee on Agriculture, Natural Resources, Land
Use and Water**

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Metro

Metro has concerns about efforts to raise the state's transient lodging tax that aren't targeted at rebuilding our state's tourist economy. Metro also strongly supports finding a permanent source of funding for wildlife conservation in Oregon.

Raising Oregon's transient lodging tax will harm our hospitality industry

Metro owns and/or operates several large statewide venues including the Oregon Convention Center, the Oregon Zoo, the Portland Expo Center and Portland's Center for the Arts. Our statewide venues provide significant economic benefits to our state's hospitality industry and our economy at large. We are still rebuilding from the pandemic impacts and are yet to fully recover. To regain our footing, we need to maintain Portland's competitive cost advantage related to lodging taxes and fees.

A catalyst for economic development

The Oregon Convention Center serves as a catalyst for Oregon's economy. In addition to the thousands of jobs supported by the facility, consumer spending driven by the Convention Center business totaled more than \$330 million last year. This spending is widespread. It starts with entry into the state through the Portland International Airport then with taxi and ride-sharing services to overnight accommodations across the Portland region. Hotels, shops, restaurants, and other service providers support guests during their stay. We encourage visitors to extend their stay to explore the state with an adventure to wine-country, Mount Hood, or the Oregon Coast. Most of this business is generated in the rainy spring and fall "shoulder" seasons when Oregon restaurants and hotels particularly need business.

We need to retain Portland's competitive cost advantage

Increases to the state transient lodging tax would make Portland's lodging taxes and fees higher than almost all the cities we compete against for convention business. This will make it harder and more expensive to attract future conventions. Convention organizers tell us that cost is their number one consideration when choosing between locations. Portland needs to remain cost competitive to continue to successfully secure conventions and events.

Events are returning but we still have ground to make up

This is even more important as the convention center and hotels continue to rebuild from the pandemic. Convention and consumer show activity is returning, but the Convention Center event counts and enterprise revenues remain below pre-pandemic levels. Hotel occupancy considerably lags pre-pandemic levels. The hospitality industry needs every advantage to regain its footing in the Portland region and doing anything to reduce our competitive advantage could further delay the City of Portland's recovery. We are experiencing this softness in consumer spending levels as well. Prior to the pandemic,

convention center annual economic impact fell in the \$500-600 million range. This past year, it was \$330 million.

Oregon critically needs a permanent source of funding for wildlife conservation

Wildlife conservation is an urgent need for our state, where 88% of species lack a dedicated stream of conservation funding. Conservation organizations like the Oregon Zoo help make up for the lack of state resources. For more than 25 years, the Zoo has worked to protect species such as western pond turtles, butterflies and birds of prey through recovery programs and grant funding.

Our Zoo and Foundation have championed the Oregon Conservation and Recreation Fund in support of projects that help implement the Oregon Conservation Strategy. We have also strongly advocated for federal efforts to support underfunded state conservation programs, such as the bipartisan Recovering America's Wildlife Act. By securing permanent funding within the state, ODFW will be able to provide the required matching funds for these federal sources.

All Oregonians are affected by this lack of funding. Many once common species — including pollinators and amphibians — are in decline. Proactive conservation benefits taxpayers and businesses as well. Often, no conservation action is taken until a species is listed under the Endangered Species Act, by which point recovery becomes more challenging and costly, with more severe human impacts.