



HB 2977: Oppose Changes to State TLT

February 24, 2025

Co-Chairs Helm and Owens, Vice-Chair McDonald and Members of the Community:

On behalf of the Oregon Coast Visitors Association – a private, non-profit 501 C 6 business association covering all 363 miles of the Oregon Coast, with 7 counties, 30+ cities, 14 port districts and 35+ chambers of commerce and destination marketing organizations – I am writing today to register concerns about HB 2977.

Back in 2003, Oregon was looking for ways to enhance economic development in a way that no community was left behind. The tourism industry stepped up and did what very few industries ever consider: Taxing their own customers to create a vibrant tourism economy throughout the state. It worked, and we don't think the industry's success at growing the statewide economy should be used for purposes for which it was not intended. Tourism generates \$2.3 billion in visitor spending on the Oregon Coast and provides 25,000 jobs in the region.

The Transient Lodging Tax was created because the industry came forward and the purpose of the statewide TLT is specifically for Travel Oregon and tourism programming. Adding a tax percentage that funds ODFW and unrelated programming works against the spirit of the agreement that was made between the tourism industry and the state. If this effort is successful, we expect that there will be a number of noble causes and programs asking for more TLT funding at the state level.

Over time, this will affect the customers of the tourism industry, and it will create a form of compression by limiting amounts that may need to be raised by the tourism industry in the future.

To be clear, we support ODFW's work. Oregon Coast Visitors Association holds environmental protection and stewardship at the core of who we are. Our organization works with the Elakha Alliance, Oregon Kelp Alliance and others on kelp forest, habitat and carbon reduction issues. OCVA also funds tide pool ambassadors, Trail Keepers of Oregon and more. We have put more than \$1 million into trails and environmental projects on our own over the years.

Our organization was one of the first tourism DMOs in the nation to create and implement a Climate Mitigation, Adaptation and Resiliency Plan. Our organization is more than happy to work together on environmental issues, but the way to do that is to approach the industry; not pushing new taxes that impact the entire industry.

We want to see ODFW find secure and stable funding sources to support the agency's work. But this is not the way to do it. This TLT addition would be a fundamental shift away from the deal the travel industry made with the state about how the taxes our customers pay are going to be used. This will signal to other industries that working with the state and taking the risk of taxing their own customers will be rewarded with others trying to jump on in ways that were not intended.

A deal is a deal. Please oppose HB 2977.

Sincerely,

Marcus Hinz, Executive Director

Oregon Coast Visitors Association