



February 20, 2025

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

Co-Chair Ken Helm
Rep. Court Boice
Rep. Pam Marsh

Co-Chair Mark Owens
Rep. Annessa Hartman
Rep. Susan McLain

Vice-Chair Sarah McDonald
Rep. Bobby Levy
Rep. Anna Scharf

Dear Committee Members,

HB 2977 is the wrong solution to an internal ODFW funding issue. **Please oppose HB 2977.**

In Oregon, before 2003, the state tourism promotion program was funded by Oregon Lottery dollars. In 2002, the Governor asked the industry to help advertise in Europe and other foreign countries so Oregon could attract more international flights to Portland. The 2003 Legislature passed HB 2267, establishing a funding stream for the Oregon Tourism Commission, which became Travel Oregon, supported by the Hospitality community.

The Lodging industry stepped up and agreed to fund its own state agency and give the state back the lottery dollars. The Travel Oregon became one of a few state agencies funded by a direct constituency. There have been a few times when the state has asked the Hospitality Industry to step up and increase funds to benefit the state, the 2022 World Athletics Championships held in Eugene being the most recent. The constituency valued the projects and stepped up to increase taxes on itself because of the benefits of the programs, not just to tourism, but to the entire state.

The 1.5% statewide tax is added on top of many city and county taxes collected at the local level which could be as high as 16%. Of those local taxes, the largest benefactor is local General Fund programs. So local hospitality industry-specific taxes are going to General Fund programs at the local Level.

HB 2977 will directly impact jurisdictions trying to attract convention business because large blocks of rooms are more price sensitive. There are some communities considering increasing local lodging taxes to add meeting facilities or programs and with a statewide tax hike, it likely eliminates the chances of these programs or facilities moving forward. Operators will not want two increases on their rates, a local tax hike and a new statewide tax hike, because it will make their pricing uncompetitive compared to other locations. Communities looking to expand programs or build facilities will just end discussions due to concerns around a lack of support for those activities.

The Oregon Department of Fish and Wildlife (ODFW), also has a constituency that helps pay for its operations. These constituents are Hunters and Fishermen who pay annual licensing fees to help

fund their Agency and its programs. On top of these license fees, ODFW receives money from the State's General Fund, Federal funds and Lottery dollars. ODFW currently has multiple revenue streams.

When ODFW constituents were asked to help fund the programs contained in HB 2977, they declined, choosing not to invest their own money or resources toward these programs. Since the Department's own constituents were not willing to help with funding, ODFW is seeking other funding outside their current stream of four revenue sources.

Despite their programs not directly benefiting our constituency, ODFW has chosen to try and take money by using the Travel Oregon as a vehicle for a tax increase with themselves as the direct recipient.

ODFW should not be poaching another state agency's revenue source. The solution to ODFW's revenue problem is straightforward. ODFW can ask for increases in one of the four revenue sources they currently have or find a new source that is not currently funding its own state agency, the Travel Oregon, an agency which has a proven track record of stepping up when asked by the state to help on tourism projects benefiting the entire state.

Travel Oregon has one source of revenue and is supported by its constituency. ODFW has multiple sources of revenue and ODFW's constituency has told them they will not support this program.

HB 2977 is the wrong solution to an ODFW issue.