

March 17, 2025

House Committee on Emergency Management, General Government, and Veterans
Oregon State Capitol, 900 Court Street NE
Salem, Oregon 97301

Re: HB 3556 Relating to the use of local transient tax revenue;
Chair Tran and Members of the Committee:

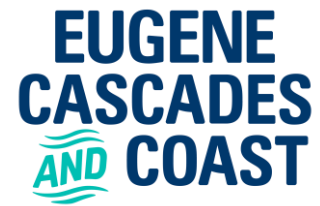
The 30-member Travel Lane County Board of Directors, representing Lane County's rural and urban community interests and the hospitality industry, opposes HB3556.

The purpose of Transient Lodging Tax (TLT) is to drive economic growth and job creation across the state, including in Oregon's most rural areas, by generating visitor spending. Diverting TLT to other purposes jeopardizes these efforts by allowing even broader uses of these limited resources. The partnership between local destination marketing and management organizations (DMOs), their community leaders and Travel Oregon has proven TLT is an effective tool for economic development. Building on this success TLT needs to be leveraged to reduce seasonality, support year-round employment and economic security for communities.

Tourism-related businesses—hotels, restaurants, and attractions—do more than generate Transient Lodging Tax (TLT) revenue. They also contribute through property taxes, licensing fees, and other local taxes that fund essential city and county services. A strong tourism economy keeps these businesses thriving, which in turn sustains vital tax revenue for municipalities. Weakening the TLT structure doesn't just impact tourism—it affects the entire local economy. In 2023, visitor spending in Lane County totaled \$1 billion, supporting local businesses and generating an estimated \$50 million in state and local taxes.

Annually, Lane County uses TLT to support the operations of the Lane Events Center and the Lane History Museum. Additionally, all 12 cities within the county receive funding for marketing local events and/or building infrastructure projects such as the recent welcome signs at each end of the McKenzie River valley. Transient lodging tax funds are especially crucial for Oregon's rural communities as they shift from resource-based economies to those that include tourism. Maintaining tourism momentum in our rural communities is essential—we cannot afford to slow down or stop these vital initiatives.

Our cities and Lane County utilize transient lodging taxes for vital services and projects. Examples include constructing the Hult Center for the Performing Arts and the Florence Events Center.



Recognizing the community's need for winter demand several local projects are already identified. The Florence Events Center, a hub for music, theater, and community events, plans to expand, transient lodging taxes will be a critical piece of the funding plan. Travel Lane County and local advocates have been working to secure an indoor multiuse facility for more than seven years. This facility is designed to provide essential practice and competition space for youth and adults while driving economic growth by hosting tournaments year-round. Local businesses face challenges during the shoulder and winter seasons due to decreased visitation, but this facility would help sustain visitor demand and support stable, year-round employment. Diverting transient lodging tax revenues to other uses threatens tourism's ability to invest in vital infrastructure projects like these.

Opposing HB3556 will allow tourism destinations to make long term strategic investments and continue essential projects and partnerships that support Oregon's economic prosperity.

Travel Lane County urges you to oppose HB3556. Thank you for the opportunity to provide testimony on this important topic.

Sincerely,

A handwritten signature in black ink that reads "Andy Vobora". The signature is fluid and cursive, with a long, sweeping underline.

Andy Vobora
Vice President of Stakeholder Relations
Travel Lane County