



City of North Bend

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Tuesday, March 18, 2025

House Committee on Emergency Management, General Government, and Veterans

Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: Support for House Bill 3556 – Local Lodging Tax Flexibility

Dear Chair Tran and Members of the Committee,

As the City Administrator for North Bend on Oregon's south coast, I'm writing today to express our strong support for House Bill 3556. This legislation would provide much-needed flexibility in how we can use local lodging tax revenues to offset the increasing impacts of tourism on our community.

Tourism plays a vital role in North Bend's local economy. As the gateway to the Oregon Dunes National Recreation Area, home to a bustling waterfront, and a hub for outdoor recreation, we welcome tens of thousands of visitors each year. These visitors rely on our public safety services, parks, transportation systems, and critical infrastructure. Yet under the current lodging tax laws, the City of North Bend is restricted in how we can allocate these revenues to address those very real, tangible impacts.

In recent years, our public safety services—police, fire, and EMS—have seen rising calls for service directly tied to the influx of visitors. Traffic increases dramatically during peak tourism months, putting additional pressure on our aging transportation infrastructure. Our wastewater and water systems must absorb the strain of a population that often doubles on weekends. Parks, trails, and public amenities require constant upkeep due to heavy visitor use. These are essential services that support both our residents and the visitors who enjoy our city, yet our ability to fund and maintain them remains constrained by outdated definitions of how transient lodging tax revenue can be spent.

House Bill 3556 creates a common-sense solution by allowing lodging tax revenue to fund “tourism-impacted services” like public safety, transportation, water and wastewater systems, and parks. These services are not optional for tourism; they are essential for sustaining a safe and enjoyable experience for visitors, and for maintaining a livable community for our residents.

Our City Council has identified addressing the impacts of tourism as one of North Bend's adopted priorities. Without the flexibility proposed in HB 3556, cities like ours are left bearing the costs of supporting a thriving tourism economy without the ability to invest lodging tax revenues where they are most needed.

We urge your support of House Bill 3556. Providing this flexibility will help us maintain the essential services that protect our residents, sustain our infrastructure, and support Oregon's tourism economy.

Sincerely,

David A. Milliron
City Administrator
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