



March 19, 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 revenue

Dear Chair Tran, Vice Chair Grayber, Vice-Chair Lewis, and members of the House Committee on Emergency Management, General Government, and Veterans.

The Columbia Economic Team proudly serves as the designated Tourism Destination Management Organization (DMO) on behalf of Columbia County. Based on our experience and responsibility as a DMO, we must convey our opposition to HB 3556.

Our organization works diligently to enhance our region's tourism industry and economy by collaborating with local businesses, organizations, and Travel Oregon. These consistent, long-term partnerships have helped to generate economic activity, support local jobs, and bolster our rural communities. One example of this is the Crown Zellerbach (CZ) Trail, a 25-mile National Historic Trail that benefits from tourism revenue funding to be enjoyed by tens of thousands each year. Funding from the statewide Transient Lodging Tax has contributed to the development and improvement of this popular outdoor linear history trail, creating a valuable asset that both local residents and visitors enjoy. The CZ Trail offers safe, accessible recreation options that connect our communities while drawing new visitors to our area, supporting local restaurants, retail shops, and lodging providers.

In addition to trail improvements, tourism dollars have been instrumental in revitalizing key downtown areas in both Vernonia and Clatskanie, in our county. These investments have enhanced main street infrastructure, improved buildings and storefront facades, and funded beautification projects that make these rural downtowns more vibrant and appealing to both their residents as well as visitors. These enhancements are essential for retaining and attracting new businesses, increasing foot traffic, and providing revitalization and a diversified economic boost to these rural communities.

The success of Columbia County's tourism efforts is part of a broader strategy adopted across Oregon. Travel Oregon's investment model has helped communities statewide build sustainable tourism economies. DMOs, including Columbia County Tourism, prioritize non-

peak travel seasons to stabilize employment and maintain economic growth year-round. These efforts are essential for creating stability in our rural economy, ensuring local businesses thrive even in traditionally slower seasons.

Tourism is a cornerstone of Oregon's economy, driven by the Tourism Investment Proposal of 2003, which established Travel Oregon and protected funding sources like the transient lodging tax. Since that pivotal investment:

- Visitor spending in Oregon has more than doubled, rising from \$6.5 billion in 2003 to \$14 billion today.
- State and local TLT revenues have grown from \$200 million in 2003 to \$650 million today.
- Visitor demand has shifted, adding an estimated 2.7 million more overnight stays annually compared to 2008 figures, with overnight visitors spending significantly more in local economies.
- Tourism has maintained steady annual growth rates: 4% in spending, 5% in earnings, 1.6% in employment, and 4.8% in tax revenue, all outpacing inflation.

In Columbia County, improvements like the CZ Trail and downtown improvements in Vernonia and Clatskanie have been key in attracting visitors seeking outdoor recreation opportunities and unique small-town experiences, while also improving our community's livability. These tourism-driven investments are vital as our region continues transitioning from traditional resource-based industries to a more diversified economy that includes tourism development and management.

Your opposition to HB 3556 will ensure that Columbia County and other rural communities can continue investing in essential projects like the CZ Trail and main street revitalization efforts. Protecting these tourism dollars means maintaining momentum on initiatives that support small businesses, create jobs, and improve quality of life for our residents.

Thank you for considering our viewpoint and this testimony. We urge your opposition to HB 3556, which will help ensure Oregon's tourism industry remains an asset for communities like ours.

Sincerely,

Wela Negelspach
Director of Tourism
Columbia Economic Team