

Submitter: Greg Swedenborg

On Behalf Of:

Committee: House Committee On Emergency Management, General Government, and Veterans

Measure, Appointment or Topic: HB3556

I'm writing to express opposition to HB3556 as currently written. Updates to section 2 item 2 and section 2 items 6 - 9b are limited and vague at best. As proposed the City of Cannon Beach already uses TLT (via County TLT) to contribute to public safety (County Jail Operations). City TLT funds have helped fund trails, public restrooms and other shared infrastructure that is used by locals and visitors alike. In our community we also (like Yachats and Ashland) have a 5% unrestricted Prepared Food Tax which funds over \$800K per year to the Public Safety (Fire/EMT). Specific to Cannon Beach the City could use TLT to fund Parks (shared by visitors), has increased TLT for a 'Tourism Facility' and could use TLT to support and operate the City owned RV Park which is the apotome of 'tourism related facility'.

In 2003 the 70/30 split was intended to help fund promotion and tourism related facilities while providing a level of protection to the industry as the 'one trick pony' for raising tax revenue. Not every community is the same, HB3556 does not address the fact that Hillsboro has different needs than Cannon Beach. Medford does not have the same needs as Bandon. As written, HB3556 provides no protection to a single industry that already collects a majority of the funding for rural destination communities. HB3556 provides not restriction or cap on going to the one industry that has no defense against increases. Cannon Beach increased TFT 1.5% this year, Clatsop County is pursuing and increase from 1 to 3% currently and in this same session HB2977 is looking to increase the State TLT 1%. For Cannon Beach that is (if passed) a 4.5% increase (almost 50%) in one year! Other communities are worse where the city or county is more aggressive.

The continues increase of TLT has a tipping point where lodging revenues decline to offset the total cost paid by visitors. When that occurs taxable revenue declines and TLT collection will decrease. Communities need flexibility, not one state wide solution. Communities need fiscal responsibility not increased revenue from one industry. Look to Cannon Beach which has mismanaged its HRAP program to the point of over \$500K per year spending unrestricted funds where TLT funds could have absolutely been used.

Every hospitality operator in Clatsop County - the industry supporting the visitors and collection of the TLT has staffing issues due to housing availability. HP3556 does nothing to address this need. HB3556 has good intentions but is too vague, too narrow focused and continues to by a one size fits all solution that is not a solution for all.

Please oppose HB3556 in its current form.