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03/19/2025

Bill Number and Committee: HB 3556 – Testimony to the House Committee on Emergency Management, General Government, and Veterans

RE: Opposition to HB 3556

Dear Chair Tran, Vice-Chair Grayber, Vice-Chair Lewis, and House Committee on Emergency Management, General Government, and Veterans:

My name is Christina Kiefel, and I serve as the Area Director of Sales - Corvallis for Northwest x Southern Hospitality, where I oversee the sales department at hotel properties in Corvallis, Oregon. Our management company also oversees properties in Springfield and Ashland. I appreciate the opportunity to share my concerns regarding HB 3556 and respectfully request that you oppose this bill.

The TLT was initially designed to support tourism-related services, infrastructure, and programs, all of which directly benefit the tourism industry, local businesses, and the broader community. By allocating these funds elsewhere, we risk undermining the very foundation that sustains and promotes tourism in our region. Tourism is a vital economic engine that creates jobs, generates revenue, and attracts visitors who contribute to the cultural and economic vitality of our area.

It is misconstrued that 70% of the TLT funds go to tourism organizations, but that is not the case. Many people believe that 70% of TLT revenue goes directly to tourism organizations, but this isn't the case. In Corvallis, only 30% of the city's 9% lodging tax supports tourism, with the remainder funding other city services. Additionally, Benton County has a 3% lodging tax, with 70% directed to the Benton County Fairgrounds and Event Center, while the remaining 30% goes to their general fund. Even with these allocations, there are still budget shortfalls. This bill will not address these gaps but rather make it more difficult for tourism to generate the revenue that sustains our community.

The funds collected from transient lodging taxes should continue to serve the purpose for which they were intended—promoting tourism and supporting the industries that rely on it. Diverting these funds to unrelated functions would place an unnecessary burden on tourism businesses, who already face significant challenges in an increasingly competitive environment. The diversion of TLT funds would likely result in reduced marketing efforts, decreased investments in tourism infrastructure, and fewer resources to attract and retain visitors, ultimately stalling the recovery and growth of the tourism industry.

Furthermore, tourism businesses contribute more than just lodging taxes. They also pay property taxes, licensing fees, and other local taxes, all of which help fund vital city and county services. A healthy tourism economy benefits everyone, and reducing funding for tourism could ultimately lead to lower overall tax revenue for local governments.

It is critical that we continue to prioritize the health and growth of the tourism sector, especially given the economic challenges faced by businesses in the wake of recent global disruptions. Rather than diverting funds

elsewhere, I encourage exploration of alternative funding sources that do not directly undermine the financial sustainability of the tourism industry.

For these reasons, I strongly urge you to oppose HB 3556. Tourism is an important investment in our community, and protecting TLT funds is essential for ensuring that our cities, small businesses, and local events continue to thrive.

Thank you for your time and consideration.

Sincerely,
Christina Kiefel
Northwest x Southern Hospitality