

Submitter: Allen Pike

On Behalf Of:

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

Measure, Appointment or Topic: HB3556

Thank you, Chair Tran, members of the committee, for giving me this opportunity to share my perspective on this bill. I had intended to testify virtually but have been called into jury duty during this time.

My name is Allen Pike, and I've worked in hotels in Oregon for most of my adult life. I currently manage a hotel in Roseburg, Oregon. I would like to share my perspective, and why it leads me to urging you to oppose this bill.

When people choose a hotel, they are looking at the total cost of their trip. That cost includes taxes. This is especially true of groups and corporate accounts.

If someone has a budget of \$165, and the tax rate is 10%, \$150 goes to the hotel, and \$15 goes to taxes. If there were no tax, that \$15 could go to the profit of the business. Guests aren't concerned with where their money goes. They just know how much is leaving their wallet.

As an industry, we have supported increases in that tax, which comes out of our bottom line. That may seem counter-intuitive, but we do this due to the requirement that 70% of those funds be spent on promoting tourism or tourism related facilities; the very provision this bill seeks to change.

When these funds are used to promote year-round tourism, it provides value to our hotels and our communities. Every city around the state has a busy season and a slow season. When the focus is on building tourism during the slow season, it creates jobs. Jobs at our hotels, but also restaurants, gas stations, retail businesses, and the like. Tourists contribute a significant amount of funds to the cities and counties they visit. That additional business then creates additional tax revenue year round. When used correctly, you'll see this in the form of increased hotel occupancy during slower times of the year, and increased visitor spend in our communities. We as an industry want to provide as many full time jobs for our associates as we can, and growing off season tourism is key to that.

Voting in favor of this bill, which diverts funds away from promoting tourism, is voting to divert money away from economic development. I humbly encourage you to vote against this bill.

I would be more than happy to provide additional commentary if it's of any value.

Thank you for your time.