



**March 21, 2025**

International Franchise Association  
1900 K St. NW  
Washington, DC 20006

Oregon House Committee on Emergency Management, General Government, and Veterans  
The Honorable Representative Thuy Tran  
State Capitol  
200 Court Street, NE  
Salem, OR 97301

**Subject: Oppose HB 3556 – Preservation of Tourism Funding for Economic Recovery and Franchised Businesses**

Dear Chairwoman Tran, Vice Chair Lewis, Vice Chair Grayber, and Members of the Committee:

On behalf of the franchised hotel industry in Oregon, the International Franchise Association writes to express our opposition to HB 3556, which proposes diverting funds away from travel and tourism. Repurposing dedicated tourism dollars threatens to undermine an industry that is vital to Oregon's economic recovery and long-term prosperity.

The travel and tourism sector, particularly franchised hotels, is a cornerstone of Oregon's economy, supporting thousands of small business owners, local jobs, and tax revenue that benefits communities statewide. Redirecting these critical funds will have severe negative impacts on both business owners and the communities they serve. Consider the following:

- **Tourism Drives Local Economies** – Oregon communities rely on a robust tourism industry to generate economic activity, especially in the wake of COVID-19. Many regions have yet to fully recover from the downturn, and reducing tourism funding will further delay their economic resurgence.
- **Franchised Hotels Are Small Businesses** – Many franchised hotels are owned by local entrepreneurs who have invested significant capital in their businesses. These small business owners depend on a steady influx of visitors, facilitated by strong tourism marketing efforts, to sustain operations and retain employees.
- **Tourism Taxes Already Contribute to Local Governments** – The misconception that tourism funds should be repurposed ignores the fact that Oregon's tourism industry, led by hotels and other lodging options, already contribute through various taxes, including property taxes, gas taxes, income taxes, and local utility fees. In total, lodging operators contribute approximately \$650 million annually to local and state taxes, reinforcing their role as a key economic driver.
- **Disproportionate Harm to Rural and Tourism-Dependent Communities** – Smaller communities that depend heavily on tourism dollars will suffer the most from decreased visitation. The loss of

promotional funding will make it more difficult for these areas to attract visitors, exacerbating economic struggles and increasing unemployment rates.

While the goals of increasing affordable housing and improving transportation are commendable, the approach taken in this bill risks devastating an industry that directly contributes to Oregon's economic health. Instead of repurposing tourism dollars, we encourage the legislature to explore alternative funding sources that do not jeopardize the economic recovery of our communities and small business owners.

We urge you to oppose HB 3556 and to work with stakeholders in the tourism and hospitality sectors to find solutions that support all industries without sacrificing one for another. We welcome the opportunity to discuss this matter further and to collaborate on policies that benefit all Oregonians.

Thank you for your time and consideration.

Respectfully,

A handwritten signature in black ink, appearing to read 'M. Kagel', with a stylized, cursive script.

Matthew W. Kagel  
Director, State & Local Government Relations  
International Franchise Association