



City of Rockaway Beach, Oregon

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March 21, 2025

House Committee on Emergency Management,
General Government, and Veterans
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: Local Lodging Tax Flexibility

Dear Chair Tran and Members of the Committee,

The City of Rockaway Beach supports HB 3556. HB 3556 adds “tourism-impacted services” as an allowable use in the restricted 70% portion of local lodging tax funds. These services include public safety (fire, EMS, and police) and community infrastructure (water, wastewater, transportation, parks, trails and public amenities). In 2003, the state passed a preemption on local transient lodging taxes that established restrictions around how local lodging tax dollars could be spent, requiring at least 70% of new or increased taxes to go toward tourism promotion and tourism-related facilities and reserving the remaining 30% for local discretionary spending.

Under current court interpretations, existing definitions of tourism promotion and tourism-related facilities only leave local jurisdictions so much leeway to respond to the strains of tourism. Right now, communities bear the burden of maintaining and operating things that directly benefit tourists that are primarily funded by and for community members, like public safety, and community infrastructure.

Rockaway Beach has a tourist driven economy with only 1,440 residents. During the summer the number individuals driving on our streets, drinking our water, using our sewer system, relying on our Fire Department for emergency services and Rockaway Beach Patrol for public safety explodes by tens of thousands. Water consumption forces us to use backup wells; last summer we implemented voluntary water curtailment and came close to mandatory. Rockaway Beach will need to spend large sums of money to ensure that our residents and visitors continue to have an abundant and clean supply of water.

We urge your support of HB 3556 and hope you will move the bill to the House Revenue Committee for more conversation.

Respectfully,

Charles McNeilly
Mayor
City of Rockaway Beach