



April 30th, 2025

Katharine Cato, Travel Ashland

HB 2977 - Testimony to the House Committee on Revenue

Dear Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and members of the House Committee on Revenue.

My name is Katharine Cato, and I am the Director of Travel Ashland. I also serve on the Board of Directors for Oregon Destination Association as well as Travel Southern Oregon and am Past-President of both organizations. I appreciate the opportunity to convey my opposition to HB 2977.

Travel Ashland is the tourism branch of the Ashland Chamber of Commerce. Tourism has served as the front door to Ashland's economy. As we diversify our visitor base we also work to diversify our economy through our economic development strategy and strategic marketing plan. Our goal is to bring visitors to Ashland year-round to foster a steady-visitor volume.

Destination Marketing Organizations (DMOs) prioritize tourism development and marketing efforts during non-peak travel seasons to ensure year-round job stability and economic security for communities. After serving nearly 20 years as Director of Travel Ashland, I've witnessed tourism's natural ebb and flow. I've also seen how natural disasters and health crises can abruptly slow tourism, immediately impacting the livelihoods of our residents.

The Ashland Hills Hotel & Suites regularly hosts up to 550 guests at a time for conferences and other group events. Small businesses—the heart of our communities—depend on group travel and events to stay afloat during slower seasons. Ensuring a steady flow of visitors year-round is essential for their survival, employment and the overall economic health of our region. That stability helps DMOs build a healthy tourism economy and implement local programs that are reflective of Oregon's values. Raising the statewide TLT will deter meeting and event planners who choose their destinations based on overall affordability in which lodging taxes certainly play a key role.

At Travel Ashland, we support and protect our natural resources through various programs, including:

- Attracting a responsible traveler to recreate the 15,000 acre Ashland municipal watershed that is our drinking water source and part of the Rogue-River Siskiyou National Forest.
- Our longstanding partnership with the Ashland Forest Resiliency project with one of the most recognized and well managed forests in the country.
- Our Emergency Preparedness Initiatives and crisis communication.
- Regionally, the Regional Cooperative Tourism Program (RCTP) investment from Travel Oregon provided for mountain bike trails and events, including the Mountain of the Rogue Trail System in Grants Pass.

Tourism has become a cornerstone of Oregon's economy as a result of the 2003 Tourism Investment Proposal, which established Travel Oregon, secured a dedicated funding source through the statewide transient lodging tax, and safeguarded local tourism funding investments.

During the recession of 2003, the Governor, legislature, and leaders across the state recognized that tourism was an untapped market and that strategic and sustained investment in tourism was needed to establish Oregon as a travel destination for business and leisure.

Statewide Economic Impacts:

Over the last 20 years, the return on the investments from statewide Transient Lodging Tax (TLTs) is clear:

- Visitor Spending in Oregon has more than doubled:
\$6.5 billion in 2003; Now = \$14 billion
- State and Local TLT tax revenues have more than tripled:
\$200 million in 2003; Now = \$650 million
- Demand has shifted:
 - Visitors to Oregon spend an additional 2.7 million nights in hotels alone compared to 2008 figures—overnight visitors spend more than residents while visiting restaurants, shops, and recreation businesses.
- Consistent growth in spending, earnings, employment, and tax revenue:
4% spending, 5% earnings, 1.6% employment, and 4.8% tax rev annually that outpaces inflation.

My community has countless success stories where state lodging tax investments have provided opportunities for sustainable destination development and marketing programs, strengthening local tourism and economic growth. This is crucial for Oregon's rural communities as they shift from resource-based industries to tourism-driven economies. We must sustain this momentum to support their growth and long-term success.

Given the current economic instability due to tariffs, now is not the time to impose more taxes on travel. Higher lodging taxes make Oregon less competitive for conventions and group events, driving business to lower-tax destinations. Convention planners are value-focused, and states aggressively compete for their business. Opposing HB 2977

will allow your constituents and businesses in our destination to consistently plan for strategic investments and to continue important projects and partnerships vital to Oregon's economic viability.

Thank you for the privilege to submit this testimony for your consideration.

Katharine Cato

Director

Travel Ashland

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