

Submitter: Dan Gibson
On Behalf Of: Visit McMinnville
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB2977

Honorable Chair and Members of the Committee,

My name is Dan Gibson, and I serve as the CEO of Visit McMinnville.

Let me begin by stating clearly: Oregon's natural beauty and diverse ecosystems are foundational to our state's identity and, indeed, are significant draws for our tourism industry. Protecting these assets, including species conservation, is a goal we wholeheartedly support and recognize as essential for Oregon's future.

However, while the goal of HB 2977 is laudable, we strongly oppose the proposed funding mechanism: increasing the statewide Transient Lodging Tax (TLT) by 1%.

As we navigate the economic landscape of 2025, we see persistent uncertainty. Inflationary pressures and concerns about personal finances are making travelers increasingly price-sensitive. Adding costs to potential visitors, however incremental they may seem individually, contributes to a cumulative burden that makes Oregon less competitive. Visitors meticulously analyze the total cost of their travel. An additional 1% tax on lodging, layered upon existing TLTs, can absolutely influence destination choice, potentially diverting visitors and their dollars to other states perceived as more affordable.

In McMinnville alone, tourism is a vital economic driver, responsible for \$47 million in annual visitor spending and supporting 430 local jobs. This economic activity, replicated in communities large and small across the state, is jeopardized when we increase the cost barrier for visitors, especially during uncertain times. Reduced visitation means less revenue for local businesses, fewer jobs sustained, and ultimately, less tax revenue generated for essential services.

Furthermore, HB 2977 raises fundamental concerns about the intended purpose and integrity of the Transient Lodging Tax. The TLT originated as a user fee, paid by visitors, with the established principle that these funds should primarily be reinvested into the tourism ecosystem – supporting tourism promotion, destination marketing, and tourism-related facilities. This reinvestment helps attract more visitors, creating a continuous cycle of economic activity.

Funding species conservation is critically important, but it is a broad public benefit that should arguably be supported by broader-based funding sources, reflecting the shared responsibility and benefit to all Oregonians, rather than placing an additional

specific levy on visitors who already contribute significantly through existing taxes and spending.

Therefore, while we strongly support the goal of enhanced species conservation, we urge you to oppose HB 2977 in its current form due to its reliance on increasing the state TLT.

We ask that you seek alternative, more appropriate, and broad-based funding mechanisms to achieve these vital conservation objectives without negatively impacting Oregon's tourism competitiveness and undermining the established principle of our state's Transient Lodging Tax.

Thank you for your time and consideration.

Dan Gibson
CEO, Visit McMinnville