



Date: May 8, 2025

Name: Scott Larson, President & CEO, Visit Central Oregon

Bill Number and Committee: HB 3962 – 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 Scott Larson, and I am the President & CEO of Visit Central Oregon, the regional destination marketing and management organization (RDMO) representing tourism for Central Oregon. I appreciate the opportunity to convey our opposition to HB 3962.

I understand the unique challenges and constraints faced by increases in tourism, and I also understand the value that tourism brings to the local economies of Central Oregon, where tourism supports full-time, year-round employment for nearly 11,000 local residents. It is my privilege to serve the amazing region of Central Oregon and work to support all of the communities within our scope, including local visitor centers, regional visitor associations, Chambers, and all of the tourism industry business stakeholders.

It is the successful collaboration between the local and regional DMOs and Travel Oregon that is helping to generate economic impact and create new jobs across Oregon, in even the most rural parts of our state. At DMOs, we focus our tourism development and marketing programs on *non-peak* travel seasons because we know the importance of leveling the seasonality of tourism to create year-round job security and stability in our communities. That stability helps DMOs build a healthy tourism economy and implement local programs that are reflective of Oregon's values.

For example, at Visit Central Oregon, we have implemented the following programs to support the communities in our region:

- *In Central Oregon, funds were leveraged with local tourism resources creating a Commercial Air Service Development and Marketing Fund. This led to the match necessary to apply for and secure a federal Small Community Air Service Development Program (SCASDP) grant, which expanded commercial air service. – Central Oregon further leveraged its investment with more than \$220,000 in grant funding to community non-profits for arts, culture, and sustainable outdoor recreation initiatives.*



- *Visit Central Oregon's Future Fund grant program has given over \$1,800,000 following this current cycle toward projects that enhance, create, protect, or preserve tourism assets; create positive long-term impact for both residents and visitors; and fund projects that have broad community support throughout Central Oregon.*

At the state level, tourism has become a bedrock of Oregon's economy as a result of the Tourism Investment Proposal of 2003, which created Travel Oregon, established a dedicated funding source through the statewide transient lodging tax, and protected local funding investments in tourism.

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.

While we understand the desire for increased funding for public safety, we are opposed to HB 3962 and ask for a no vote on this bill. In Deschutes County alone, over \$12 million dollars annually is generated by the lodging tax. Visit Central Oregon receives 27% of these funds while the remaining 73% support the general fund, which officials can and do use for efforts like public safety. Diverting a significant portion of these funds away from tourism would not only inhibit our ability to support our partners and stakeholders – it would also inhibit our ability to grow the general fund broadly and, as a result, grow the funds available for public safety. It would inhibit our ability to support thousands of jobs. It would inhibit our ability to support local businesses. And it would inhibit our ability to reduce the average annual household tax burden paid by ALL Oregonians by way of visitor spending. We are strongly opposed to HB 3962 and encourage you to vote no on this measure.

Regional Economic Impacts:

In Central Oregon and in 2023 alone, the impact of and benefits of the statewide Transient Lodging Tax (TLT) is clear:

- Nearly \$1.3 billion in visitor spending
- Average visitor spending of nearly \$100 per person per day
- Supported the creation of 10,650 jobs
- Nearly \$63 million in tax revenue was generated by visitor spending, of which \$27 million stayed local and nearly \$36 million went to the state of Oregon
- For every \$1 spent on marketing, the average visitor spends \$157+ in our communities



- Annually, there are over \$71 million paid in Property Taxes by regional Destination Resorts to Central Oregon counties. These taxes, primarily paid by second homeowners who do not utilize local services, directly offset the tax burden on full-time local residents.

There are countless programs and stories from Central Oregon that have been galvanized by the lodging tax investments to create sustainable product development and marketing programs. These include things like supporting smaller, rural communities by marketing some of the amazing amenities they already have, like International Dark Sky designations, new trails, and new visitor attractions. Without our support, the impact of these would be significantly diminished, reducing the positive economic benefits of tourism for these communities. Therefore, these opportunities are particularly vital to Oregon's rural communities as they continue to transition from resource-based economies to economies that include tourism marketing and management. We cannot afford to reduce or cease this momentum so critical to our rural partners.

Your opposition to HB 3962 will allow your constituents and businesses in our region to consistently plan for strategic investments, and to continue important projects and partnerships vital to Oregon's economic viability.

Thank you for helping your tourism constituency remain stewards of Oregon's natural wonders. We will continue our work to support vibrant local communities to improve livability for all residents of Oregon.

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

Scott Larson

President & CEO

Visit Central Oregon