



**Office of Mayor Kim Morris**

May 5, 2025

House Committee on Revenue  
Oregon State Capitol  
900 Court Street NE  
Salem, OR 97301

**RE: Support HB 3962-2 for Local Lodging Tax Flexibility**

Dear Chair Nathanson and Members of the Committee,

The City of McMinnville supports HB 3962-2. HB 3962-2 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). Local lodging taxes are taxes paid by visitors of hotels, motels, short term rentals and campgrounds. 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 the existing definitions of tourism promotion and tourism-related facilities, it leaves local jurisdictions only so much leeway to respond to the impacts of tourism. Today, our community bears the burden of maintaining and operating infrastructure that directly benefits tourists. With the HB 3962-2 change, the City of McMinnville would be able to invest and maintain in public safety and other critical infrastructure impacted by visitors.

We urge your support of HB 3962-2!

Sincerely,

Kim Morris  
Mayor, City of McMinnville  
C: 971.901.2084