



CITY OF WHEELER

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May 5, 2025

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

RE: Local Lodging Tax Flexibility

Dear Chair Nathanson and Members of the Committee,

The City of Wheeler 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 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. The City of Wheeler faces challenges that are not unique to tourist destination towns along the coast. We must continuously reevaluate our priorities due to a lack of consistent funding for necessary infrastructure improvements and the major impacts tourism has on our public amenities. With a population of less than 500, you can imagine the struggles we already face to provide our citizens with reliable infrastructure, safe streets and clean outdoor recreation areas. During the summer months when tourism is at its peak, the funding needed to support our parks, trails and roads more than doubles. Public safety concerns also significantly increase during the summer months, with consistent issues surrounding speeding and pedestrian safety that we are unable to address due to lack of funding. The City of Wheeler is dedicated to providing our citizens and tourists alike with a town that is safe, clean, accessible and sustainable, but we need your support to make this happen.

We urge your support of HB 3962-2!

Respectfully,

Madison Chesnut

Madison Chesnut
City Manager, Wheeler