

May 6, 2025

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

Re: HB 2977 Relating to transient lodging tax

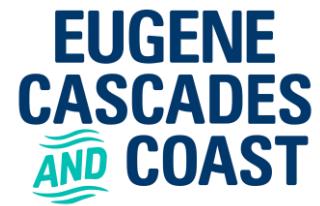
Chair Nathanson, Co-Chairs Reschke and Walters and Members of the Committee:

The 30-member Travel Lane County Board of Directors, representing the interests of Lane County's hospitality industry, opposes HB2977.

The successful collaboration between destination marketing/management organizations (DMO's) and Travel Oregon is helping to generate economic activity and new jobs across Oregon, in even the most rural parts of our state. DMO's focus their tourism development and marketing programs on non-peak travel seasons because they know the importance of leveling tourism seasonality to create year-round job security and stability in our communities.

As TrackTown USA, Eugene has built a proud track and field legacy over the past century. The 2024 season alone is expected to generate over \$50 million in economic impact, with 2025 projected to meet or exceed that amount. However, event organizers have voiced concerns about rising lodging costs, a key factor influenced by lodging taxes. Last year, Travel Lane County facilitated a meeting with local hoteliers, the NCAA, and event organizers to discuss how best to accommodate visiting teams and individuals. The message was clear—cost sensitivity is a major concern. Eugene hopes to one day become the permanent home of the NCAA Outdoor Track & Field Championships, but escalating lodging costs pose a serious challenge. With the county's lodging tax already increasing by two points in 2023, any further increase will make it even more expensive for teams, fans, officials, and volunteers to attend these events. These competitions put Eugene and Oregon on the national and international stage, but they are not guaranteed. If we want to continue attracting major events, we must remain competitive—or risk losing them to other cities.

Recognizing the community's need for expanded indoor and outdoor sports facilities, Travel Lane County and local advocates began developing plans for an indoor multiuse sports facility more than seven years ago. This facility is designed to provide essential practice and competition space for youth and adults while driving economic growth by hosting



tournaments year-round. Local businesses face challenges during the shoulder and winter seasons due to decreased visitation, but this facility would help sustain visitor demand and support stable, year-round employment. Raising the state's lodging tax rate could limit local jurisdictions' ability to fund essential tourism infrastructure projects—all to support an agency that already has dedicated funding streams and an annual budget exceeding \$275 million. This is not in the best interest of communities across Oregon.

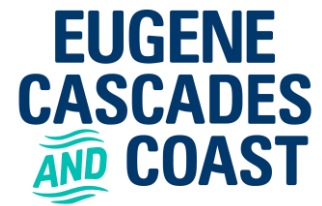
Tourism is not the solution to Oregon's need for housing, public safety, or wildlife enhancement - it's a vital partner in Oregon's economy. Instead of jeopardizing a thriving industry by opening the door for using tourism funds in a way that could lead to even broader use of these limited resources, we need to work together to focus on sustainable solutions to Oregon's many challenges.

Increased transient lodging tax revenues, from 2003 to today, have resulted in Lane County governments sharing lodging tax receipts that have increased from several million dollars in the early 2000s to more than \$26 million in FY24. This increase in lodging tax revenue has enabled Lane County to build infrastructure such as the Florence Events Center and support essential community programs, including the operations of the Lane County Fairgrounds, the Lane History Museum, and county parks. Similarly, the City of Eugene has used these funds to sustain its cultural services programs and facilities, such as the Hult Center for the Performing Arts.

Transient lodging tax funds are especially crucial for Oregon's rural communities as they shift from resource-based economies to those that include tourism. The Florence Events Center, a hub for music, theater, and community events, was funded by transient lodging taxes. With plans to expand, transient lodging taxes would be a critical piece of the funding plan. Maintaining tourism momentum in our rural communities is essential—we cannot afford to slow down or stop these vital initiatives.

In 2023, visitor spending in Lane County reached \$1 billion, supporting local businesses and generating an estimated \$50 million in state and local taxes. Projections for 2024 indicate even higher figures. Statewide Transient Lodging Tax investments have driven significant economic growth, with visitor spending doubling from \$6.5 billion in 2003 to \$14 billion today. As a result, State and Local TLT tax revenues have more than tripled, surpassing \$650 million last year. These funds play a crucial role in helping cities, counties, and the state support essential services.

Current economic times will impact international and domestic travel for business and leisure travel, making this a poor time to increase the cost for overnight stays. Your



opposition to HB2977 will allow our communities to remain competitive, consistently plan for strategic tourism investments, and continue important projects and partnerships vital to Oregon's economic viability.

Thank you for the opportunity to share our testimony for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Andy Vobora". The signature is written in a cursive, flowing style.

Andy Vobora
Vice President of Stakeholder Relations
Travel Lane County