



April 21, 2025

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

RE: Opposition to HB2977 – Proposed Changes to Transient Lodging Tax (TLT)

Dear Representative Nathanson, Reschke, Walters and Committee:

On behalf of Travel Salem, I am writing to express our strong **opposition to HB2977**, which proposes an increase to Oregon's statewide transient lodging tax (TLT) to support Species Conservation. While we recognize the importance of identifying sustainable funding sources for critical state programs, it is essential to **preserve the original intent of the TLT**, which was established through House Bill 2267 in 2003 to **fund Oregon Tourism Commission programs and strengthen the tourism economy**.

The TLT is not merely a promotional tool—it is a vital economic engine. **These funds support wildfire recovery, sports tourism, air service expansion, and other initiatives that benefit communities across the state, both urban and rural.** Redirecting or diminishing TLT funds risks weakening this progress and threatens Oregon's ability to recover and grow in the years ahead.

At a time of ongoing global uncertainty, with rising tariffs and increasingly negative international sentiment and travel trends, Oregon's tourism industry is already under significant pressure. Increasing the lodging tax will raise travel costs and reduce Oregon's competitiveness as a destination. This is especially concerning as other states take active measures to attract visitors.

Higher lodging taxes place Oregon at a clear **disadvantage in attracting conventions, events, and group travel**. Lodging costs are a critical factor in site selection, and price-sensitive planners may shift events to lower-cost destinations. The result is more than just lost hotel bookings—it **affects restaurants, retail, transportation services, and countless small businesses that rely on visitor spending, especially during the fall and winter seasons.**

Tourism is one of Oregon's most valuable and resilient industries. Increasing the TLT risks reducing visitor volume, which in turn threatens local employment and business stability in communities that depend on tourism dollars to thrive.

Since the TLT's inception in 2003, the return on investment has been undeniable with **visitor spending doubling from \$6.5 billion to \$14 billion** and growth continuing year over year, with 5% increases in earnings, 1.6% in employment, and 4.8% in tax revenue—**outpacing inflation**.

To maintain Oregon's momentum, we must continue to invest in tourism promotion and economic development—not reduce it. **Diverting TLT funds away from their intended purpose jeopardizes this growth and puts at risk the very communities they were designed to support.**

Now is the time to strengthen, not damage, Oregon's tourism economy. We respectfully urge you to oppose HB2977 and protect the integrity of the transient lodging tax as a critical tool for economic stability and statewide prosperity.

Thank you for your thoughtful consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Angie", with a long, sweeping horizontal stroke extending to the right.

Angie Villery
President & CEO, Travel Salem
angie@TravelSalem.com