



## City of Rockaway Beach, Oregon

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May 6, 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 Committee,

The City of Rockaway Beach 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.

Rockaway Beach has a tourist driven economy with only 1,440 residents. During the summer the number individuals driving on our streets, drinking our water, using our sewer system, relying on our Fire Department for emergency services and Rockaway Beach Patrol for public safety explodes by tens of thousands. Water consumption forces us to use backup wells; last summer we implemented voluntary water curtailment and came close to mandatory. Rockaway Beach will need to spend large sums of money to ensure that our residents and visitors continue to have an abundant and clean supply of water.

We urge your support of HB 3962-2!

Respectfully,

Charles McNeilly  
Mayor  
City of Rockaway Beach