

EXPLORE TUALATIN VALLEY

May 6, 2025

House Committee on Revenue

Oregon State Legislature

900 Court Street NE

Salem, OR 97301

Re: Oppose HB 3962 – Testimony to the House Committee on Revenue

Dear Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters and Committee Members:

My name is Dave Parulo, President and CEO of Explore Tualatin Valley, the destination promotion organization for Washington County.

I am here to urge your **opposition to HB 3962**, which proposes to expand the use of Transient Lodging Tax (TLT) funds beyond their original intent of supporting Oregon's tourism industry.

This bill jeopardizes the very tourism promotion funds relied on by multiple entities, including cities and counties, through diverting funds away from tourism promotion. This diversion goes against the original TLT investment intent.

In 2003, during a recession, the Tourism Investment Proposal was a creative solution of reinvesting tourism dollars into destination development and promotion. In turn, generating more revenue and supporting Oregon businesses and jobs.

Its intent was not to serve as a source of general revenue and changing the intended use of TLT could result in fewer funds being generated for public services overall.

Oregon's tourism industry is a proven revenue driver. However, Oregon is in direct competition for consumers' attention and visitation. Getting out-of-state visitors, who, on average, stay longer and spend more, takes multi-year marketing efforts that need stable funding to be successful.

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The Travel and Tourism industry is still recovering from the pandemic. It is a common misconception that communities across Oregon bounced back, but lodging occupancy across the entire state is still down by 7.9% compared to 2019, according to the Statewide Hotel Performance Report.

In addition, we presently find the nation in a highly volatile economic climate, beset with inflation and rising prices for consumer goods. People travel with discretionary income, so travel is one of the first items cut from household budgets when things get tight.

If destination marketing and management organizations cannot use the TLT funds to reach new target audiences, the businesses that rely on tourism such as hotels, restaurants, and recreation outfitters will suffer from the loss of promotion which may result in job losses and businesses closing.

We recognize the importance of public safety and infrastructure. However, we cannot support the use of TLT funds to serve as a general fund.

Our industry creates jobs, generates tax revenue, and provides economic growth.

I urge you to vote NO on HB 3962 to protect an industry that serves both urban and rural communities across Oregon.

Sincerely,



Dave Parulo
President & CEO