

EXPLORE TUALATIN VALLEY

May 6, 2025

House Committee on Revenue

Oregon State Legislature

900 Court Street NE

Salem, OR 97301

Re: Oppose HB 2977 – 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 2977**, which proposes to increase Oregon's statewide Transient Lodging Tax (TLT).

The proposed legislation risks undermining the very tourism promotion funds through setting up a **competitive disadvantage** and **diverting transient lodging tax from its intended purpose**.

Oregon's TLT funds programs on the state, regional and local levels to influence individual, convention and sports travelers to choose Oregon as their travel destination. Drawing out-of-state visitors, who, on average, stay longer and spend more, takes multi-year marketing efforts that need stable funding to be successful.

Increasing the TLT now would jeopardize these efforts by making Oregon less competitive, especially as travelers weigh rising costs amid an uncertain economic climate. Travel is a discretionary expense, often the first cut when household budgets are tight. With inflation and increased costs already affecting consumer behavior, raising lodging taxes could further deter visitation.

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It is important to recall that 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.

Unfortunately, the travel and tourism industry are still recovering from the pandemic. A common misconception is 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, the travel industry is experiencing unprecedented downturns due to current economic concerns.

If Oregon suffers a decrease in travel due to controllable competitive pricing, the businesses that rely on tourism such as hotels, restaurants, and recreation outfitters will suffer from the loss which may result in job losses and businesses closing.

We recognize the importance of the mission of Oregon Fish and Wildlife in species management. However, we cannot support both the economic risk of the increase in TLT and the diversion of TLT funds from their intended use of tourism promotion.

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

I urge you to vote NO on HB 2977 to protect an industry that serves both urban and rural communities across Oregon.

Sincerely,



Dave Parulo
President & CEO