



HB 3962: Oppose Changes to State TLT

May 6, 2025

Chair Nathanson, Vice-Chairs Walters and Reschke, and members of the committee:

The Oregon Way seems to mean something a little different to everyone, but the core tenet at the center of that value is working together to solve our problems. In the case of HB 3962, there was no outreach to the tourism industry to engage in a thorough conversation about the Transient Lodging Tax. Based on that, on behalf of the Oregon Coast Visitors Association, I am writing today to oppose HB 3962 with the -2 amendment.

Before coming after the TLT to fund public safety and other needs, cities and counties could have approached the industry and had a frank and honest conversation. They likely would have found willing partners. Oregon Coast Visitors Association has heard the calls for increased public safety on the coast, and we responded with a proactive approach. Instead of paying for response, we funded programming to prevent catastrophes. For example, our organization funds a marine and waterfront safety position in Curry County. We are working to expand that program up and down the coast.

As a marketing and management organization, we know how to talk to visitors and educate them about their stay on the coast. This includes public safety messaging that can prevent injury and save lives. This is what we are good at, and it's a powerful tool.

There's also a matter of contributions. The tourism industry contributes mightily to communities around the state and especially up and down the coast. In many coastal communities, tourism is the Number 1 industry. The industry brings \$2.4 billion in visitor spending to the coast, supporting around 26,000 jobs. The employers of those workers pay property taxes and some of the heftiest water and wastewater bills. Establishment owners and their employees all contribute income taxes to the state coffers. The tourism industry already pays its fair share.

There also is an issue of facts. Some would have you believe that the 70/30 split on the TLT is hampering local governments' ability to backfill their general funds. The split was not instituted until 2003, when the industry agreed to have its own customers taxed. So other TLTs were allowed to continue on with very different allocations.

In reality, cities in many cases usher much more than 30 percent of their TLTs into the general fund. In Lincoln County, which is one of the state leaders for tourism, 71 percent of the TLT is spent on general government, while 19 percent goes to tourism. In Coos Bay and North Bend,

61 percent of the TLT revenue already goes to the taxing entity and just 39 percent goes to tourism. Manzanita collects 90 percent of the existing lodging tax and Newport keeps even more.

We understand that cities and counties have real budgetary and other needs. The way to solve these problems starts with a dialogue; not simply drafting legislation to cut into an industry's agreed-upon tax formula. That's not the Oregon Way. We urge you to vote no on HB 3962 and the -2 amendment.

Sincerely,

Marcus Hinz, Executive Director
Oregon Coast Visitors Association