



May 8, 2025

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

Re: HB 3962 Relating to the use of local transient tax revenue;

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and members of the House Committee on Revenue:

My name is Tori Middelstadt, and I am the Executive Director of the Willamette Valley Visitors Association. We are a regional Destination Marketing and Management organization serving communities from Wilsonville to Cottage Grove, from the Coastal Range to the crest of the Cascades. Our work directly supports local economies, small businesses, and rural communities by reinvesting in the very industry that sustains them—tourism.

I urge you to **oppose HB 3962**. This bill would divert Transient Lodging Tax (TLT) funds away from tourism, undermining one of Oregon's strongest economic drivers.

Tourism in the Willamette Valley is a **\$2.57 billion industry, supporting 23,100 jobs** and contributing **\$107 million in state and local tax revenue**. TLT was created to be a self-sustaining system—visitors pay into it, and those dollars are reinvested to attract more visitors, keeping our communities thriving. Shifting these funds away from tourism will weaken our ability to generate the very revenue that supports local services.

Misconceptions About TLT Distribution

There is a common misconception that DMOs automatically receive 70% of TLT funds. This only applies to post-2003 lodging taxes, and many Willamette Valley communities receive far less.

- Visit Corvallis receives only 30% of the city's TLT funds, with the majority already going to the general fund.
- In Albany, 50% of the city's lodging tax goes to the general fund.
- Travel Salem receives only 25% of city lodging taxes, with the remainder supporting city-owned historic properties, cultural and heritage grants, and beautification projects.
- In Newberg, only 35% of lodging tax dollars support tourism promotion and facilities, while the majority is allocated to the general fund.

Visitors are already paying their fair share, and many cities are already supplementing public safety and infrastructure with TLT revenue—but without continued tourism investment, those funds will shrink, worsening budget shortfalls.

Disproportionate Harm to Rural Communities

This bill would disproportionately harm rural communities that rely on tourism funding to grow, attract events, and support small businesses. Every day, we work to ensure that tourism benefits extend from city centers to rural areas, ensuring no one is left behind. However, if TLT investment declines, TLT taxes will generate less revenue for both promotion and infrastructure—making it harder for rural areas to compete.

Negative Impact on Local Businesses & Events

A weakened tourism economy means fewer visitors dining at restaurants, shopping in boutiques, and attending festivals. We know that when visitors spend locally, those dollars stay in the community—far more than spending with online retailers.

Impact on Oregon's Competitiveness

Oregon is still recovering—hotel occupancy rates remain below pre-pandemic levels. Higher taxes and reduced marketing will make us less competitive, at a time when we need to strengthen our industry.

DMOs Play a Broader Role Beyond Marketing

DMOs do far more than marketing. We support:

- Crisis communications
- Wildfire response
- Sustainable tourism initiatives that protect local livability

HB 3962 threatens the sustainability of an industry that directly funds local economies, job creation, and public services.

I recognize the funding challenges municipalities face, but this bill saws off the branch we are all sitting on. **I urge you to vote NO on HB 3962.**

Thank you for your time and consideration.

Sincerely,

Tori Middelstadt

Tori Middelstadt
Executive Director
Willamette Valley Visitors Association