



ASTORIA-WARRENTON AREA
CHAMBER of COMMERCE

May 7, 2025

Oregon State House of Representatives
House Committee on Revenue
Salem, OR

Chair Nathanson and members of the committee:

The Astoria-Warrenton Area Chamber of Commerce represents some 600 member businesses and organizations across all sectors of our diverse local economy.

Oregon has a highly effective system of tourism promotion and management that is the envy of nearly every Western state. The Travel Oregon system, with its seven regional destination management organizations (RDMO's) and their collaboration with and support of local DMO's has proven itself time and again with a demonstrable and impressive return on investment for the state and local municipalities alike.

We are encouraging a "no" vote on HB 2977, not because we don't fully support the protection of wildlife, but because this is a poor mechanism for doing so.

TRT is a sales tax. Far from being a simple "pass through", these taxes have real-world economic consequences for lodging providers and communities alike. In simple economic terms, there is a given demand for a product at a given price. Increasing the price reduces demand as few consumers are willing to pay the higher price. Conversely, lowering prices increases the number of consumers willing to pay.

A lodging provider can only charge so much for a room in order to sell the desired number of rooms. The end user is sensitive to the total price, regardless of how much of it is tax. Think, if you will, of gasoline. We see a price of \$3.999 per gallon and make our purchase decision based on that, despite the fact that the cost is actually \$3.569 per gallon plus tax.

Group travel is particularly sensitive to total price and group travel is often the difference between profitability and failure of coastal lodging providers, given our short "high" season.

TRT tax rates should be carefully considered and the proceeds stewarded with equal care to produce a meaningful return on investment. Investing in destination management, destination marketing, facilities, and general fund items like roads and public safety are appropriate uses and worth the cost to unit sales price. Please vote "no" on HB 2977

David L. Reid, Executive Director