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Chair Nathanson
Vice-Chair Reschke
Vice Chair Walters
Members of the House Committee on Revenue
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

Re: HB 3962

Dear Chair Nathanson, Vice-Chairs Reschke and Walters, and Members of the House Committee on Revenue,

My name is Jeff Knapp, CEO of Visit Bend. I'm writing to express our strong opposition to the amended version of HB 3962, which revives failed language from HB 3556 and presents serious threats to Oregon's tourism economy, fiscal stability, and community investments.

This amendment represents a significant overreach, allowing transient lodging tax (TLT) revenue to be redirected toward loosely defined "tourism-impacted services" like public safety and infrastructure. This vague language opens the door for unrestricted diversion of funds, undermining the very purpose of the TLT and destabilizing the backbone of Oregon's visitor economy, and ignoring the fact that in many communities like Bend, the majority of lodging tax dollars already do these things.

In Bend alone, over the past decade, lodging tax collections have generated more than \$100 million, with over \$65 million flowing into the City's general fund to directly support public safety, transportation, and infrastructure. Simultaneously, Visit Bend has invested TLT dollars into high-impact community grant programs that support trails, cultural events, public art, and sustainable tourism infrastructure; projects that enhance our resident's quality of life and would not otherwise be funded. HB 3962 threatens to unravel this significant progress.

Tourism and its associated amenities bring significant value far beyond the tax dollars generated. In Bend, tourism is one of four recently adopted target sectors for Bend's first-ever economic development plan. Removing or weakening the primary funding mechanism to



support and grow this critical sector threatens Bend's broader economic health, risking job creation, economic diversification, and sustainable growth. Additionally, yesterday's visitor may become tomorrow's resident, expanding our economy, strengthening our workforce, and increasing our tax base.

Make no mistake: diluting the mandate for TLT funds will lead to a measurable decline in tourism promotion, fewer visitors, decreased economic activity, and reduced tax revenue for local and state governments. This is not a hypothetical risk, it's a documented negative outcome with real-world evidence that should not be ignored.

Even more troubling is the legislative process used to push this language forward. Attaching previously failed legislation to an unrelated bill at the eleventh hour, without consultation or conversation with the very people most impacted or adequate public transparency, is inappropriate, damages public trust, and sets a concerning legislative precedent.

We respectfully, but firmly, urge the Committee to reject the current language in HB 3962. If any expansion of use is considered, it must be strictly limited to **new** or **incrementally increased TLT revenues**, with guardrails in place to protect core tourism investment.

Thank you for your time and for considering the grave economic implications this bill would have for Bend and communities across Oregon.

Respectfully,

Jeff Knapp
CEO Visit Bend