

May 8, 2025

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



RE: Oppose House Bill 3962 relating to studying local taxation and the use of local transient lodging tax revenue;

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

My name is Eli Matthews and I'm the President & CEO of The Chamber of Medford & Jackson County, representing 1,100 businesses in Southern Oregon. I am writing on behalf of the Board of Directors for The Chamber in opposition of HB 3962, which studies local taxation and seeks to expand the use of local Transient Lodging Tax (TLT) revenue to fund public safety and other costs related to "community infrastructure".

The purpose of TLT is to drive economic growth and job creation across the state, thereby strengthening communities through visitor spending. We recognize public safety is important for a community's well-being, however, changing the existing TLT formula by diverting more funds to non-tourism-related purposes jeopardizes economic security and limits Oregon's economic growth potential. A strong tourism economy keeps businesses thriving, which sustains vital tax revenue for municipalities that already fund essential city services and community infrastructure.

TLT is a proven and effective tool for economic development. In Medford, we have witnessed how the proper utilization of TLT and public-private partnerships leads to an investment in building tourism-related facilities such as the Rogue Credit Union Community Complex (Rogue X). This has ignited an era of tourism development in our community. Four hotels are planned to open by 2027, and the City of Medford is working with a private development group on a conference center/hotel project, which would increase visitor expenditures during non-peak tourist season.

Over the past 20 years, the return on investment from TLT has supported tourism promotion and tourism-related facility development that attracts new and repeat visitors to communities throughout the state. In that timeframe, visitor spending in Oregon has doubled from \$6.5 billion to \$14 billion in 2023. Jackson County has similar results, seeing visitor expenditures increasing from \$352 million in 2003 to \$726 million in 2023.

Maintaining the current TLT formula supports Oregon's economic prosperity and protects the investment of local tourism marketing and development programs that increase visitation, generate spending in our communities and supports year-round employment. All of which contribute to a thriving community.

We urge you to oppose HB 3962 and continue to strategically invest in tourism by allowing TLT to be utilized for its intended purpose.

Sincerely,

Eli Matthews, IOM, President & CEO
The Chamber of Medford & Jackson County