



Date: May 8, 2025

Name: Explore Sisters

Bill Number and Committee: HB 2977 – Testimony to the House Committee on Revenue

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

My name is Scott Humpert, and I am the Executive Director for Explore Sisters, the Destination Management Organization (DMO) representing tourism in Sisters, OR. I appreciate the opportunity to express my opposition to HB 2977.

Previously serving as the Senior Marketing Manager for Explore Lincoln City on the Oregon Coast for more than 10 years, it has been my privilege to serve the Sisters community over the past several years and steward the value that tourism brings to our local economy. Explore Sisters respectfully submits this testimony in strong opposition to HB 2977, which proposes an increase to the statewide Transient Lodging Tax (TLT). This legislation would significantly undercut the effectiveness of tourism as a driver of economic growth, particularly in small communities like ours that rely heavily on visitor spending.

The current economic climate is already placing pressure on Oregon's tourism industry. Global instability, inflation, and rising travel costs are making vacations less predictable and less affordable. Adding a higher lodging tax at this moment will further deter visitors from choosing Oregon, and communities like Sisters, for their next trip.

In Sisters, tourism is our economy. Lodging taxes directly fund the destination marketing, visitor services and experience development that support small businesses throughout our community. As one of the newest DMOs in the state, Explore Sisters is just getting started. From off-peak marketing efforts, encouraging responsible visitation, embracing environmental stewardship, to sponsoring local events and tourism initiatives, achieving Dark Sky Community certification, participating as a key member of local leadership groups, and collaborating with neighboring DMOs, we support our community in many ways.

Raising lodging taxes risks undoing this progress by making overnight stays less appealing and reducing demand for events and group travel. Convention and event organizers, who book large blocks of hotel rooms, are particularly sensitive to price changes. Any increase could push valuable bookings to states with lower lodging costs, which hurts not just hotels, but also restaurants, shops, and outfitters that depend on year-round tourism, especially during the off-season.

TLT revenues should remain dedicated to tourism-related investments, not redirected to unrelated state agencies or programs. Diverting these funds weakens the very mechanism intended to drive Oregon's tourism economy. Travel Oregon has consistently demonstrated a strong return on investment through tourism promotion, helping ensure that tourism remains a sustainable and reliable economic engine for communities across the state.

Since 2003, the return on TLT investment has been proven across the state:

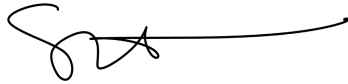
- Visitor spending has more than doubled—from \$6.5 billion to \$14 billion
- State and local TLT revenues have more than tripled—from \$200 million to \$650 million
- Visitors spend 2.7 million more nights annually in Oregon hotels than in 2008

This success has been shared by communities large and small, urban and rural. And it's enabled vital projects from wildfire recovery and destination branding to air service expansion and sports tourism that wouldn't be possible without TLT-funded promotion.

We believe HB 2977 threatens that success. At a time when recovery is still underway and rural communities are working to stabilize, we must invest in what works. That means protecting the lodging tax funds that drive tourism and supporting policies that make Oregon more, not less competitive.

Explore Sisters urges you to reject HB 2977 and stand with the thousands of businesses and jobs that depend on a strong, coordinated tourism economy.

Thank you for the privilege to submit this testimony for your consideration.



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