



City of North Bend

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May 8, 2025

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

RE: Support for HB 3962-2 — Local Lodging Tax Flexibility

Dear Chair Nathanson, Vice-Chairs Reschke and Walters, and Members Hudson, Levy, Marsh, and Smith,

My name is David A. Milliron, City Administrator for the City of North Bend on Oregon's south coast. On behalf of Mayor Jessica Engelke and the North Bend City Council, I appreciate the opportunity to offer strong support for HB 3962-2. The -2 amendment appropriately widens the allowable uses of the restricted 70 percent of transient lodging tax (TLT) revenue to include "tourism-impacted services"—public safety (fire, EMS, police) and essential community infrastructure (water, wastewater, transportation, parks, trails, and other public amenities).

Tourism's outsized footprint on the South Coast

North Bend's resident population is just over 10,400, but on peak-season weekends and during signature events—July Jubilee, UTV Takeover, Mill Casino shows, fishing tournaments—our daytime population routinely doubles.

Visitors arrive via U.S. 101 and the Southwest Oregon Regional Airport, which recently logged a 13 percent year-over-year increase in passengers, its highest in 14 years. The city's seasonal synthetic ice rink, for example, drew skaters from 70-plus ZIP codes and recorded 5,000 rentals in just 10 weeks.

Those guests fuel our economy, yet they also create:

- Higher public-safety demand: In 2024, nearly one in three police calls and one-quarter of fire/EMS runs involved non-residents.
- Accelerated infrastructure wear
 - Wastewater: 39 percent of our sewer system is 70 years old or more. The plant, last upgraded in 1991, is nearing capacity and could be insolvent within four years.
 - Parks and trails: Sites from Oregon Dunes trailheads to Ferry Road Park and The Mill Casino RV park require round-the-clock maintenance, litter removal, and patrols.
 - Transportation: Seasonal surges strain pavement and choke intersections along U.S. 101 and Broadway and Newmark avenues.



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Why current TLT restrictions fall short

Since 2003, 70 percent of new or increased TLT revenue must be spent on “tourism promotion or tourism-related facilities,” leaving only 30 percent for local discretion. Court rulings have tightened those definitions, giving cities little latitude to cover the very impacts tourism creates—especially public safety and core infrastructure.

How HB 3962-2 restores balance

By adding tourism-impacted services to the restricted 70 percent, HB 3962-2 would allow North Bend to:

1. Protect visitors and residents alike, covering overtime, training, and equipment for police, fire, and EMS linked to visitor volume.
2. Reinvest where tourists tread, from wastewater lines stressed by short-term rentals to resurfaced trailheads and boat ramps, plus improved wayfinding and ADA access.
3. Balance promotion with preservation, ensuring the assets that draw visitors remain vibrant instead of depleted.

A 2024 statewide poll found more than 70 percent of Oregon voters support using additional TLT revenue for vital city services, recognizing the need to manage tourism’s impacts while keeping Oregon welcoming.

Request

On behalf of North Bend’s residents, businesses, and the many who visit Oregon’s south coast each year, I respectfully ask for your “Do Pass” recommendation on HB 3962-2. Flexibility to fund tourism-impacted services is essential to sustaining our visitor economy and safeguarding the quality of life for everyone who calls—or visits—North Bend home.

Thank you for your consideration. I am happy to answer any questions.

Respectfully submitted,

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