



May 8, 2025

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

RE: Support for HB 3962-2 – Ensuring Sustainable Tourism and Community Safety

Chair Nathanson, Vice-Chairs Reschke and Walters, and Members of the Committee:

As Mayor of Gearhart, I am writing in strong support of House Bill 3962-2 on behalf of our city and our fellow communities in Clatsop County. This legislation offers a pragmatic and much-needed solution to a long-standing challenge: sustaining essential public safety services in cities that bear the brunt of Oregon's thriving tourism economy.

Tourism plays a vital role in our region. It fuels small businesses, creates local jobs, and brings energy and opportunity to our coastal towns. But the same influx of visitors also places an outsized burden on our emergency services, which are primarily funded by local property taxes. In Clatsop County, our population of around 40,000 swells to over 120,000 during peak tourist season. That seasonal surge strains every part of our public safety infrastructure—police, fire, EMS, and beyond.

Consider this: from 2019 to 2024, about one-third of all jail bookings, arrests, and citations in Clatsop County involved non-residents. Roughly 15% of the victims of reported crimes during that same period were also visitors. Our EMS teams routinely handle over 380 calls per month, a figure that surges in the summer. And our 11 volunteer-supported fire agencies, already operating with limited funding and aging equipment, are tasked with protecting not only our residents but tens of thousands of tourists as well.

Local governments like ours are ready and willing to invest in safety. During the pandemic, we saw the value of even modest investments—such as Clatsop County's \$250,000 in ARPA funding for rural fire services. But federal relief funds are temporary. Our challenges are not.

Under current law (ORS 320.350), 70% of new or increased local Transient Lodging Tax (TLT) revenue must be allocated to tourism promotion or tourism-related facilities. This leaves only 30% for other needs—no matter how directly those needs are caused by tourism itself. Many of our cities are sitting on unspent tourism promotion dollars while struggling to fund the staff, training, and equipment necessary to keep our communities safe.

HB 3962-2 proposes a balanced fix. It would allow local governments to allocate a portion of TLT revenue toward addressing the public safety demands that tourism generates—without undermining tourism promotion itself. It's a simple, common-sense adjustment that better aligns our financial tools with the real-world demands we face.

Despite numerous attempts in recent years to address this imbalance, a viable long-term solution has yet to pass. HB 3962-2 is that solution. It is well-crafted, locally informed, and urgently needed.

I respectfully urge your support for this bill so that Oregon's destination communities can continue to serve both residents and visitors safely and sustainably.

Thank you for your thoughtful consideration.

A handwritten signature in blue ink, reading "Kerry Smith". The signature is fluid and cursive, with a large, stylized "K" and "S".

Sincerely,
Kerry Smith
Mayor, City of Gearhart