



Testimony in Opposition to HB 3962 (-2) and HB 2977

Submitted by Deanna Palm, President & CEO, Washington County Chamber of Commerce

To: House Committee on Revenue

Date: May 9, 2025

Chair Nathanson and Members of the Committee,

On behalf of the Washington County Chamber of Commerce, I respectfully submit our **strong opposition to House Bills 3962 (-2 Amendment) and 2977**. These bills, though distinct, share a common and concerning impact: both would erode the integrity of the Transient Lodging Tax (TLT) by diverting funds away from their core purpose—supporting tourism promotion and development.

HB 2977 proposes a statewide increase to the TLT and reallocates revenue from this increase to the Oregon Department of Fish and Wildlife. While we support the conservation of Oregon’s wildlife and habitats, **this bill fundamentally alters the intent of the TLT by redirecting revenue to purposes unrelated to tourism marketing and destination development**. The hospitality industry, which bears the burden of this tax, is still recovering from the impacts of the pandemic and cannot afford additional cost pressures—particularly when the benefits of those funds are siphoned away from driving visitor demand.

HB 3962 (-2 Amendment) would authorize local governments to allocate TLT funds toward “tourism-impacted services,” such as public safety and community infrastructure. **This overly broad definition opens the door for local jurisdictions to permanently dilute the portion of TLT revenue dedicated to actual tourism promotion**. The result is predictable: once local governments begin using these funds to fill general service gaps, it is unlikely they will ever fully recommit to marketing, outreach, and tourism product development—the very efforts that generate TLT revenue in the first place.

Tourism is an economic engine for Washington County. Our hotels, restaurants, and visitor destinations rely on continued investment in promotion to attract overnight visitors, increase the length of stay, and generate local spending. Undermining that investment will have long-term consequences for our local economy, small businesses, and workforce.

We urge the committee to protect the original intent of the Transient Lodging Tax and reject these attempts to divert its use. **Please vote NO on HB 2977 and HB 3962 (-2 Amendment)**.

Thank you for your time and consideration.

Respectfully submitted,
Deanna Palm
DeannaP@WCChamber.org