

Submitter: David Mlliron
On Behalf Of: City of North Bend
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: HB3962

June 23, 2025

To: Senate Committee on Finance and Revenue

RE: Support for HB 3962 – Local Transient Lodging Tax Flexibility

Dear Chair Meek, Vice Chair McLane, and Committee Members Patterson, Starr, and Taylor,

On behalf of the City of North Bend, I write in strong support of HB 3962-A, which provides long-overdue flexibility in how local governments allocate transient lodging tax (TLT) revenues.

North Bend is a rural coastal city deeply reliant on tourism. While our Visitor Convention Bureau — which also serves neighboring Coos Bay and Charleston — operates with an annual budget exceeding \$1 million, we are increasingly strained by the infrastructure and public safety demands tourism creates. Unlike larger cities, we lack industry and sustained population growth. Visitors benefit from the same services residents do — police, fire, roads, parks — yet current law mandates that 70% of all post-2003 TLT revenue be spent exclusively on tourism promotion and narrowly defined tourism-related facilities. This restricts our ability to address real-time operational needs stemming directly from tourism volume.

HB 3962 is a practical compromise. It maintains a guaranteed 40% investment in tourism promotion and tourism-related facilities, while allowing local jurisdictions to use up to 60% of new or increased TLT revenue to meet pressing public needs — like hiring additional police officers, maintaining roads used by tourists, and ensuring emergency services can respond effectively during peak season surges.

Let me be clear: this bill does not raise taxes, nor does it interfere with existing agreements between local governments and Destination Management Organizations. It simply restores a portion of local control, enabling cities like ours to better balance the impacts of tourism with our capacity to serve it.

Our Mayor, Jessica Engelke, who serves as President of the League of Oregon Cities, and the entire North Bend City Council unanimously support Lodging Tax Flexibility. If passed, our administration intends to assign any additional discretionary TLT revenues specifically toward public safety and essential infrastructure directly

impacted by tourism.

We urge the Committee and the full Senate to pass this important legislation before the session ends. Oregon's rural communities need this flexibility to continue hosting visitors safely and sustainably.

Respectfully,

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