



June 23, 2025

RE: Support for HB 3962 A - Local Lodging Tax Flexibility

Dear Chair Meek and Members of the Committee,

The City of Dundee supports HB 3962 A, as this bill provides more local lodging tax flexibility by allowing cities to have more discretionary general fund dollars to provide services that tourism relies on including public safety and community infrastructure.

The City of Dundee is a tourist destination for people across the region, country and the world seeking globally recognized high quality wine. As a small city, our annual tax revenue cannot keep pace with the demand for services from increasing tourism, especially on our water, sewer, and road infrastructure. Passage of this bill will help our city address our infrastructure challenges.

In short HB 3962 A:

- **Does not raise taxes** but allows jurisdictions to reconfigure current taxes.
- **Restores more local control.** For 22 years cities have been providing the preempted 70% amount of new and increased taxes to "tourism promotion" and "tourism-related facilities." Cities will be able to further right size the amount they spend towards tourism based on their individualized economies.
- **Continues to dedicate a portion of the local TLT to tourism.** HB 3962 is a compromise because it does not completely abolish the preemption placed on cities in 2003 and will provide the tourism industry who local governments choose to contract would like some surety.
- **Does not prohibit cities from spending more on tourism.** Cities can always spend more than 40% towards tourism if they choose. Some cities already spend money out of their general fund on tourism related expenses that are not covered in the strict definitions of "tourism promotion" and "tourism related facilities."

We urge your support of HB 3962 A!

Respectfully,

A handwritten signature in black ink that reads "David A. Ford". The signature is written in a cursive, flowing style.

David Ford
Mayor
City of Dundee