

Testimony of Mayor Steve Wright, City of Seaside

In Support of HB 3962

Senate Finance & Revenue Committee – June 22, 2025

Chair Meek, Vice-Chair McLane, and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill 3962.

My name is Steve Wright, and I serve as the Mayor of Seaside, our coastal city that welcomes millions of visitors every year. Tourism is not just part of our economy—it's the core of it. We value our visitors and the positive impact they bring to our local businesses, but we also feel the strain when our small-town infrastructure and public services are often overwhelmed by our year-round surges that are 2x, 3x, 4x or more of our population.

HB 3962 is a smart and necessary update to the outdated framework that governs how cities like mine can use lodging tax revenues. The current law, written in 2003, restricts at least 70% of Seaside's transient lodging tax (TLT) revenues for tourism promotion and tourism-related facilities. That framework made sense when tourism promotion needed a boost—but today, we face a very different business climate. Tourists are already coming in large numbers, but our public infrastructure is now stretched thin. We need the ability to support the tourism economy by maintaining the very systems it relies on—roads, public safety, parks and water systems.

HB 3962 offers a better balance:

- It still guarantees that 40% of new or increased TLT revenue is reserved for tourism promotion and tourism-related facilities—ensuring continued investment in our visitor economy.
- But it also provides local governments the flexibility to allocate up to 60% toward vital public services through their normal budget processes—processes that are public, transparent, and inclusive of all stakeholders, including the tourism industry.

In Seaside, we see this as a compromise that benefits everyone. It allows for local control—not to abandon tourism investment—but to invest in the parts of our community that directly support a healthy and sustainable visitor experience. This means well-maintained infrastructure, timely police and fire responses, functioning restrooms and clean beaches—services that benefit both tourists and residents alike.

This bill also respects the accountability of local governments. All TLT spending decisions under this bill would still go through public budget hearings, advisory committees, and City Council oversight. Tourism operators, hoteliers, and short-term rental managers will continue to have a seat at the table in shaping how funds are used, ensuring we are collectively supporting the long-term vitality of Oregon's tourism economy.

In closing, HB 3962 is not about reducing our commitment to tourism—it's about sustaining it in a way that works in 2025, not 2003. It reflects the lived reality of Oregon's cities and gives us the tools to meet today's challenges while we continue to welcome visitors from around the world.

I urge your support for this balanced, thoughtful legislation. Thank you for your consideration, and I'm happy to answer any questions.

Respectfully,

Steve Wright
Mayor, City of Seaside