I am writing to you in opposition to the proposed House Bill 3962. I am the third generation in a family-owned and operated business that has been serving visitors to Cannon Beach. In that time, our family has seen the impacts of the Transient Lodging Tax (TLT) increases and the over-reliance on the lodging industry.

In 2023, the City of Cannon Beach increased the city TLT by 1.5% to fund the building of an overpriced city hall and police station. Thereby making our lodging tax income higher per capita than most other communities. We also have one of the lowest property tax rates - this was not sought due to the fear of a measure being voted down. The City of Cannon Beach's budget is funded ~73.4% by transient lodging tax. The first 6% of the 9.5% TLT was implemented before the 70/30 law took effect and is unencumbered; it goes directly into the general fund. With a Prepared Food Tax's recent implementation, visitors now pay over 85% of the City of Cannon Beach's budget. That means that 85% of any city function is already paid for by tourists, including public safety, infrastructure, and parks. It is my fear that with the changing of this verbiage, our community will continue to hinge so much of the budget on lodging rather than tightening belts and being fiscally responsible. Parts of this House Bill are duplications of already imposed fees on tourists. The water/wastewater is an enterprise fund, already being paid for by the guests when they stay in a lodging facility or eat at a restaurant - they pay for the water they use. In Cannon Beach, the water rates for businesses are much higher than those of residents due to recent changes in the pay schedule by the city council. Our hotel's water rate has doubled in the past three years with no change in usage or improvement of services.

I understand the need to fund emergency services, my husband is one of the last volunteer firefighters in Cannon Beach. However, we deserve to have safeguards put in place so that our city does not continue to exploit small businesses like mine. My hotel has been family-owned and operated for 60 years, we are good citizens who volunteer, donate, and contribute to our community, and it is frustrating that our industry is continually being scapegoated and exploited when so much of our community benefits from our existence. The unintended consequence of this proposed amendment is that cities like Cannon Beach will further increase TLT on this expanded use without residents paying their fair share. The restaurants, art galleries, and retail that residents are so proud of do not persist because of residents, it is the visitors to our public beaches that support private businesses and our city's economy.

Increasing TLT is the easy answer for governments when they need funds. It doesn't require a vote, and it's easy for officials to ignore those who it impacts. But our industry pays our fair share - more than our fair share. Communities like Cannon Beach do not need an expansion of the TLT; they need to be responsible with the monies they receive and seek appropriate funding when required. You are giving them an easy button for funding rather than forcing them to be accountable. The 70/30 split of the TLT was a safeguard that prevented our industry from being overexploited; by approving this House Bill, you are opening us up to further exploitation from governments. In our recent City preliminary budget meeting, some of the elected officials were practically salivating over this House Bill. They see us as a piggy bank to subsidize their lives.

Our community uses the 70% of funds in various ways, including fundraising events for non-profit organizations and funding the Destination Marketing Organization - I do not doubt that if this House Bill is passed, the City of Cannon Beach will eliminate these functions, costing people their jobs, and gutting organizations. Thank you for your time and consideration.