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June 23, 2025

To: Senate Committee on Revenue and Finance

Re: Protect our Hospitality and Tourism Economy – VOTE NO on HB 3962 -A Flexible Use of Tourism Taxes

Co-Chairs Senator Meek and Representative McLane and Members of the Committee,

On behalf of the Springfield Area Chamber of Commerce, I respectfully urge you to oppose HB 3962 -A.

This proposal to expand the allowable uses of local Transient Lodging Tax (TLT) revenue poses significant risks to the long-term health of Oregon's tourism economy and the integrity of TLT as a purpose-driven funding stream. Originally established as a dedicated mechanism to support tourism facility development and promotion, TLT revenue plays a critical role in driving local business growth, job stability, and year-round economic activity especially during Oregon's slower winter and shoulder seasons.

Redirecting TLT revenue away from its intended purpose not only jeopardizes economic development strategies that generate future tax revenue, but also threatens the livelihoods of thousands of Oregonians whose jobs depend on a thriving visitor economy. Workers employed in hotels, restaurants, retail, and other tourism-related businesses rely on consistent visitor demand to maintain stable, year-round employment. Continued investment in tourism marketing and facility development helps ensure that these businesses can retain staff, provide reliable hours, and support local families even during off-peak travel seasons.

While flexibility in budgeting may appear appealing during times of fiscal constraint, HB 3962 -A offers no meaningful guardrails to ensure continued investment in the very economic sectors that generate these tax dollars. It creates a pathway for jurisdictions to permanently divert funding from tourism undermining both future growth and employment stability in our communities.

Our members deeply value strong public services. However, **solving structural budget challenges by redirecting a limited, specialized funding source away from its intended use is a shortsighted approach. It sets a troubling precedent that could undermine broader economic recovery and growth efforts statewide.**

The Springfield Area Chamber of Commerce urges this committee to protect the original intent and future impact of TLT revenue. Please vote **no on HB 3962 -A**. Instead, we encourage you to direct local governments to collaborate with community and economic development partners on sustainable, long-term solutions that reinforce - not erode - the economic engines and workforce that TLT was designed to support.

Sincerely,

A handwritten signature in black ink, appearing to read 'V. Mikkelsen'.

Vonnie Mikkelsen

President and CEO, Springfield Area Chamber of Commerce