

June 23, 2025

Senate Committee on Finance and Revenue
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

RE: In support of HB 3962, Transient Lodging Tax realignment

Dear Chair Meek and Members of the Senate Committee on Finance and Revenue:

I encourage you to move House Bill (HB) 3962 to the Senate floor for a vote. It is a common-sense bill to facilitate the ability of cities to use the transient lodging tax (TLT) income on public safety and infrastructure needs to support tourism, rather than the outdated system from 2003 which focused solely on promotion of tourism.

I hear about this problem very regularly from other mayors, especially those on the coast or in Central Oregon. To be honest, Milwaukie doesn't currently have a TLT, and we actually don't have any hotels in Milwaukie. But we have an ever-growing number of residences being used for short-term rentals. Those homeowners are making a profit – sometimes a pretty sizable profit – but the community as a whole sees no benefit from that profit-driven use of homes. I also note that we should all be concerned about how many homes are being taken off the market as housing potential for our residents. Taxing those uses might curtail the spread of short-term rentals and ultimately actually help hotels – something the hotel lobby doesn't seem to recognize.

This bill is a moderate and common-sense response that does not raise taxes but simply restores local control over allocation of 60% of the revenue. It continues to dedicate a portion of the TLT to tourism and does not prohibit cities from spending more than 40% on tourism if they deem that appropriate.

As the City of Milwaukie struggles to fill the gaps in our budget left by the absurdities of Measure 5 and 50, we have discussed creating a TLT. But as currently structured, that doesn't make a lot of sense for us. If we had discretion in how to spend the majority of that income, it would become a tool that might help us fill budget gaps so as to keep up police, library, and other staffing levels and avoid layoffs in our next budget cycle.

Please give cities some relief – in a way that doesn't cost the state budget coffers anything. Please move HB 3962 forward.

Please do not hesitate to contact me if I can answer any questions.


Lisa M. Batey
Mayor